Austria	Sch. 18	Indonesia	Rp 2500	Portugal	Esc 80
Bahrain	Din 0.650	Italy	L 1300	S. Arabia	Rls 6.00
Belgium	BFr 42	Japan	Y550	Singapore	S$ 4.10
Canada	C$1.00	Jordan	Fils 500	Spain	Pta 110
Cyprus	C£0.60	Kuwait	Fils 500	Sri Lanka	Rup 30
Denmark	Dkr 7.25	Lebanon	£L 8.00	Sweden	Skr 8.50
Egypt	E£1.00	Luxembourg	LFr 42	Switzerland	SFr 2.20
Finland	Fmk 6.00	Malaysia	Rm 4.25	Taiwan	NT $65
France	FFr 6.00	Mexico	Pes. 300	Tunisia	Din 0.500
Germany	DM 2.20	Morocco	Dh 6.00	Turkey	L 210
Greece	Dr 70	Netherlands	Fl 2.50	U.A.E.	Dh 6.50
Hong Kong	HK$ 12	Norway	Nkr 6.00	U.S.A.	$1.00
India	Rup 15	Philippines	Pes. 20		

ØØ

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,797

Thursday December 5 1985

Leveraged buyouts: Wall Street's latest craze, Page 14

World news

Fabius defends Jaruzelski meeting

French Prime Minister Laurent Fabius defended, in the French National Assembly, President François Mitterrand's controversial meeting with General Wojciech Jaruzelski, the Polish leader.

The meeting was fiercely opposed by leading French unions, with the exception of the pro-Communist CGT labour confederation, and by the right-wing opposition parties and human rights groups. It also embarrassed the ruling Socialist party.

The Polish leader's diplomatic coup was his first meeting with a leading Western leader since the banning of the Solidarity trade union in 1981. **Page 16**

Union clash looms

The prospect of a renewed confrontation between the Argentine Government and the main trade union organisation, the General Confederation of Labour, appeared to be looming after a meeting between President Raul Alfonsin and CGT leader Saul Ubaldini. **Page 5**

Delhi gas leak

Gas leaking from a chemical factory affected 250 people in New Delhi and caused 30 to be taken to hospital. The leakage triggered panic one day after the anniversary of the Bhopal disaster which killed more than 2,000 people. **Page 4**

Crash kills 14

All 14 people aboard a Nicaraguan helicopter were killed when it crashed in a combat zone about 150km north-east of Managua. The cause of the crash, in an area where US-backed rebels are fighting government forces, has not been established.

Caracas floods

Venezuela implemented emergency measures after floods killed 14 people and made thousands homeless in Caracas and nearby coastal areas.

Rebels free two

Moslem separatist guerrillas freed an American and a West German held hostage in the southern Philippines for more than a year. **Page 4**

Gibraltar talks

Spain and Britain resume talks over the future of Gibraltar in Madrid today. **Page 2**

Antwerp blast

Belgium's extreme left-wing Fighting Communist Cells exploded a bomb at the Antwerp branch of the Bank of America. No one was hurt, but damage was extensive.

Priest attacked

A Roman Catholic priest in Krakow, southern Poland, was beaten by unknown assailants. He is a supporter of the banned Solidarity trada union.

Nobel alternative

A Norwegian group, angered by the award of the Nobel peace prize to Soviet doctor Yevgeny Chazov, will give an alternative prize to a jailed dissident Soviet psychiatrist.

Tokyo 'bullies' held

A Tokyo police squad formed to deal with a wave of school bullying has arrested 29 boys and girls.

Sacred art

A decision to move the draw for next summer's World Cup soccer finals from the Palace of Fine Arts in Mexico City silenced the protests of artists and intellectuals fighting to preserve the sanctity of the building. **Scotland** qualified for the finals with a 0-0 draw against Australia, winning 2-0 on aggregate.

Business summary

Wall St jumps by 25.34 to 1484.40

WALL STREET: A late buying spree pushed the Dow Jones industrial average up 25.34 to close at a record 1,484.40. **Page 36**

LONDON stocks were lower as new share issues drained the market of funds. Gilts turned higher. The FT Ordinary share index slipped 12.5 to 1,115.8 and the FT-SE 100 dropped 16 to 1,399.6 **Page 36**

TOKYO: Blue chips were sought in late trading. The Nikkei average closed up 36.65 at 12,811.20. **Page 36**

DOLLAR closed in New York at DM 2.5155, SFr 2.0935, FFr 7.6776 and Y202.45. In London it closed at DM 2.519 (DM 2.5335), SFr 2.095 (SFr 2.112), FFr 7.6825 (FFr 7.725) and Y202.6 (Y204.8). On Bank of England figures the dollar's index fell to 126.7 from 127.4. **Page 29**

STERLING closed in New York at $1.4875. In London it had gained 70 points to close at $1.4865 but fell to DM 3.745 (DM 3.7475), SFr 3.115 (SFr 3.125), FFr 11.42 (FFr 11.43) and Y301.25 (Y303.0). The pound's exchange rate index fell 0.2 to 81.2. **Page 29**

GOLD rose 75 cents on the London bullion market to $323.50 and was $1.40 higher in Zurich at $324.45. In New York the Comex February settlement was $325.70. **Page 28**

US SENATE passed emergency legislation to reorganise the troubled farm credit system, allowing the Farm Credit Administration more authority and paving the way for federal aid if structural changes in the system are not enough to save it from disaster. **Page 5**

GATT textile committee was given an assurance by the US that President Ronald Reagan would almost certainly veto the attempt by Congress to pass a sharply protectionist bill on imports of textiles and clothes from developing countries.

AMERADA HESS, US integrated petroleum group, said it is to take a $430m after tax charge against fourth quarter earnings as part of its restructuring of refining and marketing operations.

WELLCOME Foundation, British drug group which plans a flotation next month, lifted pre-tax profits for the year by 37 per cent to $121.7m ($180.1m). **Page 20; Lex, Page 16**

SAATCHI & SAATCHI, Britain's largest advertising agency, lifted pre-tax profits to a record £40.45m ($59.8m) in the year to September 1985, compared with £18.31m last year. **Page 20; Lex, Page 16**

BOC, British gases and health care products group, reported higher pre-tax profits of £171.3m ($253.5m) in the year to September 1985, compared with £137.8m last year. **Page 20; Lex, Page 16**

BELL GROUP, master company of Robert Holmes à Court, will not launch an all-out bid for BHP, Australia's biggest concern, but will retain its 17 per cent stake and seek some influence on management. **Page 18**

MANNESMANN, West German engineering and steel pipes group, has forecast improved year-end profits after announcing a 12 per cent rise in turnover for the first nine months of this year. **Page 17**

VOLKSWAGEN, West German motor vehicle manufacturer, plans to step up production next year by introducing work on some Saturdays as well as during the normal summer holiday shutdown. **Page 17**

EEC Commission in Brussels approved state operating subsidies worth DM 471m ($190m) to Arbed Saarstahl, the troubled West German steel company.

LLOYDS BANK raised £125m ($185m) by selling its 16.4 per cent stake in the Royal Bank of Scotland through a stock market placing. **Page 7**

EEC reform package brings relief and disappointment

THE HARD-FOUGHT package of EEC reforms agreed by Community leaders was greeted by Mr Jacques Delors, the European Commission president, yesterday as "a compromise which means progress," writes **Quentin Peel in Brussels.**

Initial reaction to the measures, approved in principle early yesterday morning after almost 20 hours of talks and one of the longest summits on record, was of both relief and muted disappointment from the opposite ends of the reform spectrum.

The package remains in the balance, however, with major reservations from both Italy, which thought it too cautious, and Denmark, which thought it too radical. EEC foreign ministers will meet again in two weeks' time in an effort to resolve the outstanding problems.

If finalised, the reforms will greatly expand the areas of decision-making open to majority voting, instead of the present requirement for unanimity, on national barriers to a genuine common market. They will also give the European parliament more involvement in decisions, but keep the final word for the Council of Ministers, the member states' executive body.

Mr Delors tempered his initial response given in the early hours of the morning, when he declared: "Tonight everyone who belongs to Europe has reason to be satisfied." He said later that the Commission "was hoping for something better. But they have achieved a compromise and it is up to the Commission to make it dynamic."

Commission officials also reflected some satisfaction that the reforms would speed up decision-making and grant new competence to the EEC institutions. Promotion of technology and protection of the environment, as well as monetary affairs, would he included for the first time in the Treaty of Rome.

The sharpest disappointment came yesterday from the European parliament and the Italian Government, the two proponents of the most sweeping reforms.

Mr Pierre Pflimlin, the president of the European parliament, said the outcome was "a great disappointment," and that the EEC leaders had missed "an historic opportunity (to) take a step towards European unity."

Mr Bettino Craxi, the Italian Prime Minister, has made his Government's backing for the package conditional on European parliamentary approval – giving the assembly a virtual power of veto. He was sharply critical of the failure to give MEPs more powers.

The parliament will vote next week on the measures at its monthly session in Strasbourg. Initial reaction from political groups was mainly hostile.

Mr Egon Klepsch, leader of the Christian Democrat group, the largest in the centre-majority, said it was "less than we wanted but more than we feared." Mr Christian de la Malène, the French Gaullist leader, noted "a few little steps forward on the Common Market."

The parliament's institutional committee voted yesterday to urge next week's plenary meeting to reject the Luxembourg agreement.

The Danish reservation is linked to the hostility of a majority in the Danish Folketing (parliament) to any treaty amendment, but Mr Poul Schlüter, the Prime Minister, was obviously fairly pleased by the outcome, because it did not represent any significant erosion of national sovereignty.

The package required compromises from all the EEC leaders, including Mrs Margaret Thatcher, the British Prime Minister.

The fudge tastes sweet, Page 3; Editorial comment, Page 14

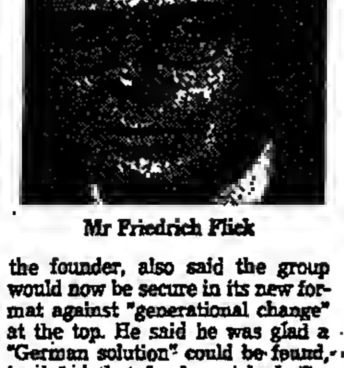
Flick family will sell out to Deutsche Bank ahead of flotation

BY JONATHAN CARR IN FRANKFURT

FLICK, the diversified West German industrial company, has agreed to a takeover proposal from Deutsche Bank, the country's biggest bank. Shares in Flick are to be offered to the public by the bank in what is believed to be the country's largest such deal.

The exact value of the family-owned group, active in fields from chemicals to weaponry, is not known but stock market estimates go as high as DM 5bn ($2bn).

Deutsche Bank said it aimed to complete the acquisition by the end of the year after Flick had been transformed into a joint stock company, and then make a public share issue.



Mr Friedrich Flick

Details of the placement will be given in the new year, but the bank made clear that Flick's holdings in other companies would also be offered to the public.

These include a stake of some 10 per cent in Daimler-Benz, the vehicle manufacturer, and of more than 25 per cent in W. R. Grace, the diversified US company. The Daimler stake is valued at more than DM 2.4bn.

In an open letter to "business friends" released yesterday the group's owner, Mr Friedrich Karl Flick, gave mainly business and tax reasons for the sale.

He said the change to a new joint stock structure – at a time of buoyant capital markets – was in the long-term interests of the group and its employees.

Moreover, taxes on private entrepreneurial property were so heavy that they would eventually have put an "intolerable burden" on the group and threatened its existence.

Mr Flick, aged 58 and the son of the founder, also said the group would now be secure in its new format against "generational change" at the top. He said he was glad a "German solution" could be found, implying that foreigners had also been seeking to buy up parts of Flick.

Apart from those factors, there has long been speculation that Mr Flick might step out of the business – above all because of the "political payoffs" scandal with which the group has been associated.

This speculation was partly confirmed earlier this year when the group sold off most of its stake in Krauss Maffei, the engineering and arms manufacturer, to the MBB aerospace group.

It was thought that further Flick interests would be sold off in due course, but yesterday's news that the group was being disposed of in its entirety still came as a surprise.

Last year the group (made up of those companies in which Flick has a majority stake) recorded net profit of DM 206m on sales revenue up by 5.7 per cent to DM 10.5bn. This made it the country's 28th largest industrial group in terms of sales.

Total world sales – including those enterprises in which Flick has a stake of 20 per cent or more – were up from DM 20.3bn to DM 21.8bn.

Flick's majority-owned companies include Feldmühle, Germany's biggest paper manufacturer, Dynamit Nobel, the chemicals concern, and the Buderus iron and steel group.

Mr Flick will retain only one interest from the diversified empire, an indirect stake in the Gerling insurance group.

One key element of the Flick political payoffs scandal had its origin in the group's sale of 29 per cent of its stake in Daimler-Benz a decade ago for an estimated DM 1.9bn.

Flick was given tax "holidays" by the Bonn Government on DM 800m of the Daimler proceeds it invested in W. R. Grace. Bonn accepted that the investment was in the country's "general economic interest."

Two former economics ministers, Mr Hans Friderichs and Count Otto Lambsdorff, face charges that they were swayed in their decision to grant the tax breaks by payments from Flick.

Both men have strongly protested their innocence. But Count Lambsdorff had to step down as minister more than a year ago because of the charges, and Mr Friderichs resigned as chief executive of Dresdner Bank – a post he had taken up on leaving Bonn.

Stock market report, Page 36

Plessey counters GEC bid with System X offer

BY GUY DE JONQUIERES IN LONDON

PLESSEY yesterday rejected the £1.16bn ($1.72bn) bid approach made by Britain's General Electric Company (GEC) and countered with a proposal to buy out GEC's interest in the production of System X digital telephone exchanges.

Plessey said after a board meeting it believed the merger proposed by GEC lacked commercial logic and was not in the interests of Plessey's shareholders, employees, the electronics industry or Britain.

GEC said it was considering Plessey's reply but declined to comment further. GEC said on Tuesday it wanted to discuss with Plessey the advantages of a merger of the two companies and "the conditions which might be associated with an offer by GEC valued at 160p per share."

Racal Electronics, the British defence and data communications company, said yesterday it was "interested in what happens to Plessey." But it denied that it planned to bring forward a regular board meeting scheduled for later this month.

There have been suggestions in London that Racal could become involved in the proposed merger talks, possibly to help Plessey defend itself against GEC's approach.

Sir John Clark, Plessey's chairman, said the GEC proposals had been stimulated by a recent – and hitherto undisclosed – initiative by Plessey to merge the two companies' public exchange businesses to improve their international competitiveness.

Plessey said it saw "great merit" in the two companies agreeing to study jointly the possibility of combining their System X interests under Plessey's management control. "The board is prepared, subject to further negotiations with British Telecom, to make a firm offer for GEC's interest in System X," Plessey said.

Plessey is prime contractor for the System X development programme and GEC is sub-contractor. The two companies compete for production orders from BT, which has invested more than £350m in the development of System X, and is the only large customer for the exchange.

The System X programme, which has been subject to repeated delays, was shaken up in 1982 when STC withdrew from it. Earlier this year, BT also placed digital exchange orders with Thorn-Ericsson, jointly owned by Thorn EMI and Sweden's L.M. Ericsson.

GEC's interest in System X is difficult to value, although some London analysts suggested it might be worth £50m to £100m. BT has only about 1,000 lines of System X local

Continued on Page 16

France is considering a European alternative to the proposed alliance between Compagnie Generale d'Electricité (CGE) and American Telephone and Telegraph (AT&T) to provide the French telecommunications authority with a second supplier of public telephone exchanges. The move would open the French public telephone exchange market to a foreign supplier. Page 16

Men and Matters, Page 14
Lex, Page 16

Poindexter takes over as US security adviser

By Reginald Dale, US Editor, in Washington

PRESIDENT RONALD Reagan yesterday announced the resignation of Mr Robert McFarlane as US national security adviser and named his deputy, Admiral John Poindexter, to succeed him in the powerful policymaking position.

The little-known Admiral Poindexter, 49, who holds a doctorate in nuclear physics, has been an aide to three secretaries of the navy and took over as Mr McFarlane's principal assistant in 1983.

Mr Reagan, who said that ha had accepted Mr McFarlane's resignation with "deep regret and reluctance," vigorously denied widespread reports that his departure was the result of friction with Mr Donald Regan, the White House chief of staff. Mr McFarlane dismissed the reports as "nonsense."

Mr McFarlane, whose resignation had been expected in Washington for the past three days, said that he had "no plans" for his future career.

Mr George Shultz, the Secretary of State, said that the appointment of Admiral Poindexter emphasised the "continuity" of US foreign policy. He praised Mr McFarlane both as a personal friend and as a "wise, judicious, fair and creative" presidential adviser.

Mr Reagan reaffirmed that the national security adviser should report directly to the President without going through the chief of staff, one of the issues believed to have been under dispute between Mr Regan and Mr McFarlane.

Admiral Poindexter, who appeared alongside Mr Reagan and Mr McFarlane in the White House press room, said that Mr Regan had already promised to allow him direct access to Mr Reagan.

Admiral Poindexter passed out first in his class from the US Naval Academy in 1954. He has commanded guided missile destroyers and two destroyer squadrons, and served as a weapons systems specialist in the office of the Defence Secretary.

Mr McFarlane's departure has been widely attributed to a personality clash with Regan, whom Mr McFarlane's allies accuse of interfering with foreign and defence policy decisions and generally running the White House in an autocratic manner.

Other officials, however, said yesterday that the notoriously hard-working Mr McFarlane was "just worn out" after the tremendous strain of more than two years

Victim of struggle, Page 5

Singapore braced for heavy selling

BY CHRIS SHERWELL IN SINGAPORE

A WAVE of selling is expected when trading on the Singapore and Kuala Lumpur stock exchanges resumes today after an unprecedented three-day closure.

Confirmation that Kuala Lumpur would follow Singapore's move to reopen the market came yesterday from Mr Daim Zainuddin, Malaysia's Finance Minister.

As in Singapore, trading in Kuala Lumpur will be on an immediate delivery basis only, a decision which will dampen speculative activity and prevent "short" selling.

In Singapore, a newly appointed supervisory committee for the stock exchange pledged last night that all obligations of the exchange's member firms would be honoured.

The committee was conceived in talks this week between the Monetary Authority of Singapore, the island state's main domestic banks and the local stockbrokers. It is dominated by the banks and seems likely to wield more power than previously suggested.

Worries about trading conditions today were compounded by the disclosure yesterday that at least one bank in Singapore had refused to honour the cheques of a local broker which had reached the limits of its credit line. In Malaysia, brokers were once again reported to be refusing to accept scrip.

The suspension of trading in Singapore was called last Sunday in anticipation of a chain of default by local broking firms. These fears sprang from the placing in receivership of Pan-Electric Industries, a marine salvage, hotel and property group which could not meet commitments to buy large blocks of share in other companies.

AP reports from Kuala Lumpur: Malaysian banks agreed late last night to provide stand-by credit of 150m ringgits ($62m) to the Kuala Lumpur stock exchange in case brokers need funds when trading resumes today.

US depressed dollar with $3.2bn sales

By Paul Taylor in New York

THE US monetary authorities spent $3.2bn intervening in the foreign exchange markets to help to push the dollar lower in the six weeks after the Group of Five (G5) meeting of senior Western finance ministers on September 22.

The figures, released yesterday by the Federal Reserve Board, represent the first official report on the level of co-ordinated central bank foreign exchange intervention after the G5 meeting. The G5 participants agreed, among other things, to act together to try to force an orderly depreciation of the dollar to help stimulate the flagging US economy.

The level of US intervention after the G5 meeting was the highest since August-October 1980, when $3.4bn was sold, and appears to put to rest earlier market doubts at the time about how actively the US

Continued on Page 16

Money markets, Page 29

CONTENTS

Europe 2, 3
Companies 17, 19, 33
America 5
Companies 17, 19
Overseas 4
Companies 18
World Trade 6
Britain 7–10
Companies 20-22

Agriculture 28
Appointments 25
Appointments adv .... 24, I-X
Arts – Reviews 13
– World Guide 13
Business Law 25
Commodities 28
Crossword 25

Currencies 29
Editorial comment 14
Eurobonds 17, 19
Euro-options 32
Financial Futures 29
Gold 28
Intl. Capital Markets 17, 19
Letters 15
Lex 16
Lombard 15
Management 12
Market Monitors 36
Men and Matters 14
Money Markets 29
Raw materials 28
Stock markets – Bourses 33, 36
Wall St 33-36
London 30-33, 36
Technology 11
Unit Trusts 25-27
Weather 16

Spain: political tinge to Ruiz-Mateos affair 2
South Africa: black union pledges reform 4
Canada/US: squaring up for trade talks 6
Editorial comment: Europe; UK business fraud 14
Leveraged buyouts: latest craze on Wall Street 14
Economic Viewpoint: EMS strategy for Britain 15
Lombard: a Marxist plot unmasked 15
Lex: Saatchi & Saatchi; BOC; System X; Wellcome 16
Sohio: billion-dollar bill to wipe out the past 17
Business Law: half-baked patents conference 25

German livestock owner to fight subsidy award

A WEST GERMAN businessman who keeps a few sheep in his back garden is preparing to fight one of Europe's more unusual court battles, Reuter reports from Münster. He wants the Government to stop subsidising him.

When Mr Günther Roettgering and his wife Vera bought the sheep in 1981, they only wanted to save themselves the bother of mowing the grass on their estate. For three years no one gave a second thought to the small flock that chomped its way round tha garden. Then Europe's agricultural hureaucracy cranked into action.

The local farmers' co-operative wrote to say he had automatically becoma a member and demanded fees. That in turn qualified him for a generous package of subsides and other benefits from the Government and the European Community.

But Mr Roettgering, 48, who runs a company that manufactures engine filters, did not want to be a member. Nor did he want taxpayers' money to subsidise his sheep. He is suing the co-operative to prevent both.

It could be a long battle. He is determined to go as far as the Federal Constitutional Court if necessary.

Mr Roettgering, a Christian Democrat driven by his opposition to what he sees as an excessive hureaucracy and misallocation of taxpayers' money, says he wants to expose the more absurd aspects of Europe's agricultural policy.

"Subsidies are without doubt vital in some cases," he said at his luxurious converted farmhouse. "But it's complete madness that they give money to me, a businessman who doesn't need it."

What constitutes a farmer is the first bone of contention. Mr Roettgering maintains he is not a farmer because his sheep are only a hobby and bring him no income. The law says that his one-hectare (2.5 acres) estate and his sheep mean that he is.

"Sheer bureaucratic nonsense," he retorts.

Being a farmer in welfare-conscious West Germany, however unwillingly, means that he is obliged by law to join the local farmers co-operative, effectively an insurance fund to pay pensions and protect against accidents.

That is where the subsidies problem begins. The co-operatives receive a buge cash injection from the Bonn Government, worth about DM 400m ($159m) this year.

In Mr Roettingering's case, Bonn paid part of his 1985 membership fee of DM 194, even though, as he readily admits, he can well afford it himself.

A Social Affairs Ministry spokesman familiar with the case conceded that Mr Roettgering did not need state-backed insurance or government subsidies, although many small farmers did. "We can't make exceptions for those who don't want protection," he said.

On top of the cash from Bonn comes the offer of money from the Community. Although it is chronically short of funds, Mr Roettgering can draw DM 30 for each ewe in his flock this year if he has at least 10. Were he to apply for the aid, it would cover his insurance contributions and leave him with a profit.

"I'm not concerned about the money," Mr Roettgering said. "It's the system behind it that bothers me. It's madness that they first empty people's pockets with higb taxes and then give back a little to everyone through roundabout channels."

Chancellor Helmut Kohl's centre-right Government would agree. It is working on a an extensive overhaul of the tax system that will cut rates across the board and remove many of the subsidies given to special interest groups.

David White in Madrid reports on the controversy over the head of Spain's Rumasa

Political tinge to Ruiz-Mateos hearings

IF THERE is one certainty about the legal proceedings against Mr Jose Maria Ruiz-Mateos, extradited from West Germany last weekend almost three years after the Spanish Government seized bis many-faceted husiness empire, it is that they will not proceed quietly.

Mr Ruiz-Mateos, 54, is convinced to the point of obsession that his ahilities are still needed in Spain, and clearly belicves there will be a wave of public support behind him.

Just as clearly, the Socialist authorities are worried about such a swing of opinion. They took the troobie to charter a special jet to whisk Mr Ruiz-Mateos hack from Frankfurt, hehind the hacks of the waiting press. Since then, to the exasperation of his defence team, he has been kept at a maximum security prison outside Madrid.

The expropriation of his Rumasa hanking and industrial group, which the Government argued was in danger of causing a natiooal financial crisis, provided an opportunity for the most conservative sectors in Spain to denounce the excesses of Socialism.

Many of the several hundred who demonstrated in sympathy at the High Court huilding where the hearings were going on this week were from far-Right groups. Mr Ruiz-Mateos built up his business from scratch during the ecooomic boom period of the Franco dictatorship.

The danger of his heing adopied as a bero hy the "ultra" Right is recognised by his chief lawyer, Mr Arthur Teele. Fearing that extremist connections would undermine Mr Ruiz-Mateos's case, he insisted that the Spanish lawyer appointed to head the penal team — a well-known Righl-winger who defended some of the army officers involved in Spain's 1981 coup attempt — should be immediately replaced.

This was the latest of a series of npsets in Mr Ruiz-Mateos's defence arrangements. Others have been over payment. Nobody knows how much money Mr Ruiz-Mateos still has, hnt he is known to be constantly concerned about expense.

The case is dominated by two unusual personalities — the defendant's and that of the examining magistrate, Judge Luis Lerga, who is in charge of investigating monetary offences and shows every sign of enjoying the limelight.

Mr Lerga has a key role in the case: it is up to him whether or not the defendant is held in jail, to decide when the investigation is complete (until then, no trial can hegin), and whether or not to dismiss the charges.

Mr Ruiz-Mateos: convinced of support

The man he now confronts directly for the first time is a messianic figure, who sees himself as the creator of tens of thousands of johs, now being hounded for the sake of trifles. He believes entry into the EEC will be disastrous for Spain and that the country will somehow turn to him.

According to Mr Teele, Mr Ruiz-Mateos wants to work out an agreement under which he can do husiness again in Spain. But, in such a politically loaded atmosphere, Mr Teele is asking a provocative question: "Can there be justice in the case of Ruiz-Mateos?"

He adds: "I have learnt one thing in Spain — the legal rules are being determined as we go along."

This hlack American lawyer, who was Under-secretary for Transportation in the firsl Reagan Administration, and whose Miami law firm had worked for Rumasa in Latin America, has been dealing directly with the case since Augusl and is charged with co-ordioating the defence.

He says his position all along has been that Mr Ruiz-Mateos should return lo Spain to clear his name. However, a voluntary return would have exposed the former Rumasa chairman to more, and more serious, charges. Under extradition rules he can be tried for the moment only on the two specific charges on which the West German courts accepted the extradition request.

These involve the alleged establishment of fictitious accounts for internal purposes in the Rumasa holding company and in subsidiary hanks. There is no allegation of personal henefit arising from these supposed irregularities.

According to Mr Teele, nobody has ever been sentenced to prison in Spain on such offences, and Mr Ruiz-Mateos might at most receive a suspended sentence.

Civil cases are also waiting to resolved. In Spain, the constitutional court has to decide on a second appeal against the expropriation of Rumasa. Mr Ruiz-Mateos'a Spanish lawyers are optimistic on the oulcome, hut Mr Teele is not. Several issues are under litigation ahroad, including a wrangle in the UK over ownership of the hrand name of Dry Sack sherry.

The conservative Spanish opposition party Popular Alliance, which opposed the expropriation, has meanwhile set up a committee to look into the way Rumasa's companies have been sold off by the Governmenl to new private-sector owners.

Mr Teele's worry is whether or nol he can prevent the case from hlowing up intn "a political circus." He says he has advised Mr Ruiz-Mateos to "turn down the heat" for the time heing, to see how a "serious defence" prospers. He helieves the Government has a weak case, since it has to prove that Mr Ruiz-Mateos knew of the alleged irregularities.

If the case drags on intn a long political process, however, he fears that Mr Ruiz-Mateos will become "uncontrollahle" and begin to unleash counter-accusations, hased on documents he claims to have in his possession or that of his family and friends, against some very prominent people.

Brandt plea against university purge

BY LESLIE COLITT IN BERLIN

MR WILLY BRANDT, head of the West German Social Democratic Party (SPD), will urge the Polish leadership not to purge academics from Polish universities, when he visits the country this week.

Mr Hans-Jochen Vogel, deputy chairman of the SPD, said Mr Brandt would raise the issue of dissident Polish academics who faced possible dismissal under a new university law.

The former German Chancellor will mark the 15th anniversary in Warsaw on Saturday of the signing of the Polish-West German Treaty to normalise relations. Earlier, he declined an invitation from Mr Lech Walesa, leader of the banned Solidarity trade union, to visit Gdansk.

Mr Walesa said the two men, both Nobel Peace Prize winners, should place wreaths at the Westerplatte Memorial, which marks the outbreak of the Second World War, and at the memorial to workers who died in the Gdansk uprising of 1970 only a few weeks after the Polish-German Treaty was signed.

Mr Brandt wrote to Mr Walesa saying that his schedule did not allow time to visit Gdansk.

Polish earnings shortfall blamed for imports cuts

BY CHRISTOPHER BOBINSKI IN WARSAW

MR KAZIMIERZ GLAZEWSKI, head of Poland's foreign trade hank, Bank Handlowy, has told company managers who are protesting about delays in drawing oo funds for hard currency purchases that the expected $700m shortfall in export earnings this year, and foreign debt service priorities, have led to cuts in imports.

Last week the Polish parliament was presented with figures by Mr Stanislaw Nieckarz, Finance Minister, which seek to suggest that this year's export shortfall will be covered in part by nearly $500m worth of cuts in imports and a big rise in earnings on services.

According to the minister, Poland will still have some $2bn for debt repayment this year as originally planned. Exports are expected to stand at $5.7bn for the year and imports at $4.4bn.

The export setback comes mainly in sales of machinery and ships to the West, while sales of coal have also slipped from 29.4m tonnes last year to an expected 24m tonnes this year.

Meanwhile Mr Jerzy Urban, the government spokesman, has said that Western commercial banks to which Poland owes debts not guaranteed by their government can expect preferential treatment on debt repayment.

Mr Urban's remarks at a press conference came amid speculation that Poland may not be able this month to cover significant payments falling due both to the banks and governments under previous rescheduling agreements.

Against this background, Polish exporters continue to complain vociferously at the failure of the country's Foreign Trade Ministry to implement management reforms.

A meeting organised by the Polish Chamber of Commerce was told this week by one exporter that constant interference by the ministry made long-term planning of trade impossible.

FINANCIAL TIMES

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter-Societäts-Druckerei-GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. Guiollettstrasse 54, 6000 Frankfurt am Main 1. © The Financial Times Ltd, 1985.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing offices. POSTMASTER: send address changes to FINANCIAL TIMES, 14 East 60th Street, New York, N.Y. 10022.

Bonn SDI role 'not subject to blackmail'

WEST GERMANY would not "put up with any Soviet blackmail" in deciding whether to sign a pact on participating in US space weapons research, according to Mr Richard Burt, US ambassador to Bonn.

Mr Burt was speaking at a news conference yesterday after delivering a speech on high technology to the US Chamber of Commerce in Germany, based in Frankfurt.

The US envoy said he did not think West Germany faced "any trade-off" between joining the Strategic Defence Initiative (SDI) and pursuing better relations with its Eastern European neighbours, especially East Germany. AP

Spain looks for progress in Gibraltar discussions

By David White in Madrid

THE SPANISH Government is anxious for a positive outcome from talks today and tomorrow with Sir Geoffrey Howe, the Brilish Foreign Secretary, in which the two sides will begin to tackle the long-term issue of the sovereignty of Gihraltar.

Evidence of progress on the Gihraltar issue is seen as being an important factor in the efforts of Madrid's Socialist adminislration to bring public opinion aronnd to supporting continued membership of Nato in the referendum due to be held in the spring.

Failing this, any blockage in the negotiating process set np after the Anglo-Spanish "Brussels declaration" of November last year would risk souring King Jnan Carlos's state visit to Britain next year, the firsl hy a Spanish monarch for 80 years. Britain, hnwever, regards significant breakthroughs unlikely at this week's talks.

The Gihraltar discussions, which provide the main focus of Sir Geoffrey's visit, are the first at ministerial level since February, when the border hetween Gibraltar and Spain was fully opened after 18 years of Spanish restricfions. However, Sir Geoffrey has already established what appears to he a good relationship with his new Spanish opposite number, Mr Francisco Fernandez

He is expecied to reply to proposals from Madrid on two possible formulas for a sovereignty settlement: a Hong Kong-style leaseback or a condominium between Britain and Spain. The issue is conditional, however, on acceptance hy the Gihraltarians.

The sovereignty question, which Spain succeeded in having mentioned specifically in the Brussels declaration, is reserved for ministerial-level discussion. Lower-level talks have made progress on most of the chapters of regional co-operation set ont in the declaration, with the exception of military co-operation.

Both sides underline the "constructive" atmosphere of these talks. They incinde studies on joint civilian use of the colony's RAF-controlled air-strip, with a view to starling flights hetween Spain ond Gibraltar. The Spanish airline Iberia is also interesled in the UK-Gibraltar route, hut an agreement on the airport still appears some way off.

Robert Mauthner adds: Sir Geoffrey is expected to lell his Spanish opposite numher that Britain considers any detailed discussions on future sovereignty over Gihraltar to be premature.

He does not deny the right of Spain lo hring up lhe subjecl and is prepared to have continuing discussions about it, hut he will not want to talk about specific proposals.

The fundameotal British position is that any transfer of sovereignty must he fully endorsed hy the Gibraltarians, a point spelled out in the Brussels declaration.

Spanish complainls about lhe lack of contact between the prime ministers of the two countries have been treated with sympathy hy London. It is hoped thal Mrs Margaret Thatcher will visit Spain for talks with Mr Felipe Gonzalez next autumn, hut no data has heen fixed.

Community fudge tastes sweet to most member governments

BY QUENTIN PEEL IN BRUSSELS

EEC SUMMIT LUXEMBOURG

THE OUTCOME of the EEC summit in Luxembourg could never be described as clear. Like many Community decisions, it was a deliberate fudge, designed to keep a disparate crew of 12 heads of state and government in the same boat.

It cannot be described as meaningless or unimportant either. Broad agreement on a whole raft of amendments to the Treaty of Rome, the EEC's constitution, will almost certainly have profound long-term effects on both the shape and style of the Community.

The EEC leaders reached provisional agreement on 10 subjects, ranging from a new treaty for co-operation on foreign policy to new voting procedures for decisions to liberalise internal trade, and new powers for the European Parliament.

New chapters would also bring technology, the environment, and monetary affairs into the Treaty for the first time, and spell out the aims of regional investment in the poorest areas, including inner cities.

At the same time they were left with two member states—Denmark and Italy—placing sweeping reservations on the package, which may prove very difficult to remove.

There are notable holes left in the text, specific reservations on voting by majority on particular issues like liberalisation of air transport, and what to do if the Council of Ministers fails to respect a three-month deadline for decision-taking. They have now to be resolved by the foreign ministers in two weeks' time.

No treaty amendment is possible without unanimity, and without ratification by all the national parliaments. After January 1, that will include Spain and Portugal. It is perfectly possible that the package will not become full-scale treaty revision in the very near future.

On the other hand, the EEC leaders have invested a great deal of their own and their top advisers' energy in the exercise. They negotiated virtually non-stop for more than 14 hours on Tuesday, after about six hours on Monday—to their own amazement and, in a peculiar way, enjoyment.

"It has been a very good day," Mr Andreas Papandreou, the normally tempestuous Greek Prime Minister, said when they finished after midnight. "Nobody got just what they wanted. Everybody had to make compromises. It was a real negotiation."

To put 12 goverment leaders to negotiate highly detailed amendments to their constitution without any officials in the room (only their foreign ministers) was an absurdity, as Mrs Margaret Thatcher, the British Prime Minister, and others like Chancellor Helmut Kohl of West Germany, kept pointing out. But they knew that if they wanted a result, there was no alternative.

Mr Bettino Craxi of Italy, and Mr Poul Schlueter of Denmark, have not endorsed the deal. The former has virtually given the European Parliament the power to block it, by tying his ultimate approval to parliamentary approval. Mr Schlueter is bound by a Danish parliamentary majority apparently determined to reject any treaty amendment.

Yet even those two have put their political weight into the reform process to an extent where they may find it very hard to pull out. And the other leaders will certainly put them under a lot of pressure.

Next week will see a reaction from the European Parliament, the body which has consistently demanded a full power of co-decision-making with the Council of Ministers—backed only by Italy. If the MEPs are consistent, they will reject the package, but they must know that the alternative is likely to be no reforms for them for a long while.

The same is not necessarily true for the rest of the package. Without treaty amendment, decisions to remove national barriers to the common market cannot be taken by majority voting rather than unanimity. But the whole system can be much more flexibly applied.

British proposals submitted before the Milan summit would streamline procedures without treaty amendment. They would make it much easier to call majority votes where they are allowed. They would try to get member states to abstain instead of impose unanimity.

The Netherlands and Britain are the next two countries in the EEC presidency chair. Both would be inclined to speed up the internal procedures, with or without the treaty amendments. An amended pre-Milan package for streamlining Council procedures will now probably go to the foreign ministers in the near future.

The treaty amendments include, for example, a new chapter on promotion of high technology. The new procedures for a multiannual framework programme combined with specific programmes could be carried out without actual amendment.

The first stop on the path ahead will be the foreign ministers' meeting. Then comes the detailed legal drafting stage, which will mostly consist of precise linguistics and semantics, but could deal with some political problems too.

Finally the national parliaments must ratify the whole exercise before the Treaty of Rome can be changed for good. The likelihood is that that will happen sooner or later along the lines agreed—but more probably later.

THE EEC heads of government are studying a proposal to cut down the number of annual summits—known as European Council meetings—from three to two, according to officials in London, writes our Foreign Staff. Without waiting for their final decision, Mr Ruud Lubbers, the Netherlands Prime Minister, who will take over the presidency of the Community's Council of Ministers on January 1, is already understood to have decided not to have a European summit in March, as originally scheduled. If this is confirmed, next year's summits would take place only in June and December.

Council retains the last word

BY IVO DAWNAY IN BRUSSELS

CHANGES to EEC legislative procedures aimed at enhancing the role of the European Parliament still ensure that the final word rests with the Council of Ministers.

Moreover, though the Parliament will have a greater influence on new regulations, the plans create the possibility of further stalemates between the institutions that could hinder the avowed objective of speeding decision-making.

Currently, the Parilament only has the right to give an opinion on most of the Commission's legislative proposals.

The new plan offers the Parliament some scope for extending its influence—but only over those areas of the Treaty which form part of the reform package.

The first phase of the new procedure would work as now—the Commission will make a proposal, the Parliament issue an opinion and the Council arrive at a "common position."

The new opportunity for parliamentary influence is that within three months it can amend a Council "position." If the Commission accepts the parliamentary amendment, then the Council can only reject it by a unanimous decision. It can accept the amendment by a qualified majority.

This procedure would give the Commission and the Parliament the opportunity to join forces to alter Council decisions in alliance with a qualified majority of member states. It would almost certainly inject a greater fluidity into Community politics than currently exists.

The provisions also require that the Council takes a decision within three months of the Commission resubmitting the proposal for discussion. However, as the final communique of the summit points out, there remains a legal vacuum as to what should take place if the Council misses the three-month deadline for a decision on the Parliament's amendments.

Furthermore, other questions are also unanswered. What happens for example if the Council can only muster a qualified majority to reject an amended Commission proposal at the second reading?

Rule changes to speed up decision-making

BY PAUL CHEESERIGHT IN BRUSSELS

SIGNIFICANT changes in the Treaty of Rome agreed at the Luxembourg summit open the way towards more rapid decisions on measures designed to create a genuinely open internal market by the end of 1992.

This has been done substituting majority voting for the unanimity required by the relevant clauses in the current Treaty. Then the exceptions—the derogations in Community jargon still requiring unanimous decisions are spelt out, covering, inter alia, veterinary controls and common tax rules.

However, the existence of a procedure for majority voting does not immediately indicate that the frontiers will come tumbling down.

There can be a majority against liberalisation of restrictions just as well as for liberalisation. If the UK and the Netherlands today were to demand a majority vote on greater freedom to provide insurance services, they would probably not get it.

That said, the Community leaders have stated quite clearly that measures will be adopted "to establish the internal, market in the course of a period expiring on December 31 1992."

They have also defined the internal market as "an area without frontiers in which the free movement of goods, persons and services and capital is ensured in accordance with the provisions of the Treaty of Rome."

The word "persons" is difficult, but is taken to mean working people,

The specific articles of the Treaty where the need for unanimity has been removed cover:

- The protection of savings and the granting of credit, the exercise of the banking profession and the conditions related to medical and allied professions; (Article 57).
- The freedom to provide services; (Article 59).
- Freedom of capital movements; (Article 70).
- Sea and air transport; (Article 84).

For all of these areas European Commission proposals are on the table, either subject to debate, waiting for action or stalled.

But when it comes to turnover taxes, indirect taxation and excise duties, the unanimity rule still applies. That is softened to some degree by a commitment to respect the internal market timetable where harmonisation of national rules "is necessary to ensure the establishment and the operation of the internal market."

There is a catch-all article in the Treaty Article 100, permitting Community countries to harmonise what they desire, provided they do it unanimously.

That is to be qualified, again with majority voting but unanimity will remain for "fiscal provisions to those relating to the free movement of persons over to those relating to the rights and interests of employed persons."

In cases where a member state cannot accept a harmonisation directive adopted by majority voting, it can appeal for exemption first to the European Commission and then, if necessary to the European Court

Denmark dampens domestic demand

By Hilary Barnes in Copenhagen

INCREASES IN energy taxes, restrictions on mortgage credit financing and cuts in public sector construction projects were announced by the Danish Government yesterday.

They will reduce domestic demand next year by about DKr 8bn (£588m), or just over 1 per cent of the gross domestic product, bringing down the deficit in the current account of the balance of payments from DKr 22bn this year to about DKr 16bn.

Mr Poul Schlueter, the Prime Minister, said the measures are an adjustment to keep the Government's long term policy for economic reconstruction on course. They will curb the external deficit but allow unemployment to continue to fall.

The minority Government appears to be assured of a majority in Parliament for the measures, which will be rushed through before Christmas.

The increase in energy taxes, including a rise in the price of petrol and electricity, will yield about DKr 3bn in a full year.

Local government is to be made to pay a "tax" of 10 per cent on 1986 investment budgets, and its central government grants will be cut. The state will reduce its budget by about DKr 1.5bn.

Restrictions on mortgage credit will hit mainly supplementary mortgages.

The measures will have what the Prime Minister described as "a sensational" effect on the budget deficit. It is now expected to fall to DKr 14.5bn next year compared with the DKr 26bn estimated in the August draft budget and a deficit of DKr 53bn as recently as 1983.

Despite the tightening of fiscal policy, gross domestic product will increase by about 3 per cent again in 1986, including a 2 per cent increase in private consumption, 9 per cent in business investment, and a rise in exports of just under 6 per cent, according to the government forecasts.

West German unemployment reaches 8.9%

By Rupert Cornwell in Bonn

WEST GERMAN unemployment rose by almost 62,000 last month to stand at 2.21m, or 8.9 per cent of the workforce. Although the onset of winter is held partly responsible, the figure is still the worst for any November in recent West German history.

The Federal Labour Office in Nuremberg reporting this yesterday, claimed that underlying trends showed the gradual improvement on the job market since mid-year continuing. Notified vacancies, at just over 110,000, were 35 per cent up on a year earlier.

Even so, Mr Hienrich Franke, president of the Labour Office, estimates average unemployment for 1985 will come out at 2.3m — an all-time record.

But the Hamburg-based HWWA economic institute forecast yesterday that the economic upswing here would create some 250,000 new jobs in 1986.

French foreign debt falls by 8% in third quarter

BY PAUL BETTS IN PARIS

FRANCE'S OVERALL foreign medium and long-term debt fell by 8 per cent in the third quarter of this year as a result of the lower value of the dollar and a higher level of French external loan repayments.

The total foreign medium and long-term debt declined by FFr 44bn (£3.8bn) to FFr 488bn at the end of September from FFr 532bn at the end of June, according to Finance Ministry figures published yesterday which record the foreign debt figures on a quarterly basis for the first time.

Mr Pierre Beregovoy, the Finance and Economy Minister, said that the debt figures would from now be published on a quarterly rather than half-yearly basis as part of the Government's general effort to improve economic and financial reporting.

The country's net external debt (the overall debt total minus export credits and other public sector loans abroad) also declined sharply in the third quarter by FFr 46bn from a revised total of FFr 228bn at the end of June to FFr 182bn at the end of September. The Finance Ministry said this net external indebtedness had to be compared with French foreign exchange and gold reserves of FFr 460bn at the end of September.

The fall in the average value of the dollar from FFr 9.30 to FFr 8.17 in the third quarter was one of the main reasons for the decline in the overall debt. France has also used its high level of reserves to repay early some of the external borrowings built up by the Government in 1982-83.

The ministry also said that foreign debt directly contracted by the state declined by 24 per cent to FFr 53bn at the end of September compared with FFr 70bn on June 30.

The good performance of the French franc on foreign exchange markets, the improvement in French inflation and economic performance prompted the Government to ease further exchange controls at the beginning of this week.

World's nuclear testing ground begins to fight back

Alain Cass, recently in the South Pacific, reports on the growing movement to reduce nuclear activities in the area by foreign powers

THE SENTENCING last month of two French secret service agents accused of sinking the environmental protest vessel Rainbow Warrior in Auckland harbour last July signals the end of "L'Affaire Greenpeace."

It does not, however, end France's problems in the South Pacific, where protests against French nuclear testing are growing. They are linked to a more general demand for a nuclear-free Pacific affecting not just French but also American and British interests.

The growing anti-nuclear movement in the area is likely to be given a boost later this month when an Australian Royal Commission is expected to publish a highly critical report on the after-effects of British atomic tests conducted in South Australia in the late 1950s.

Britain will be faced with a demand for substantial compensation for aborigines affected by the tests and huge sums to decontaminate the area.

Another milestone for the anti-nuclear lobby will be the introduction of legislation in New Zealand's parliament later this month banning nuclear-powered and nuclear-armed vessels from the country's ports. The ban will affect US and British ships in the Pacific.

The ban has come at a particularly difficult time for the US, whose military bases in the Philippines — Subic Bay and Clarke air base—are threatened by political and economic instability.

American predominance in the Pacific is also threatened by the Soviet Union, whose own nuclear fleet is ranging deeper into the region from its bases at Vladivostock, Petropavlosk and the recently-acquired facilities in Vietnam.

Moscow has concluded or is negotiating fishing agreements with a number of Pacific islands, a move which the State Department described as an "ambitious effort to establish a foothold in the South Pacific."

The row, which threatens the 33-year-old Anzus military pact between New Zealand, Australia and the US, has led Washington to call off joint military exercises and to ban Mr Lange's Government from receiving American intelligence reports.

The quixotic tilt by Mr David Lange, New Zealand's Prime Minister, at the US is not an isolated incident, however. An increasing number of nations in the region feel that the Pacific has borne the brunt of the nuclear age and the time has come to do something about it.

The US now says that it will end its defence obligations to New Zealand but preserve the Anzus pact if Wellington passes a law banning nuclear ships and weapons from its territory.

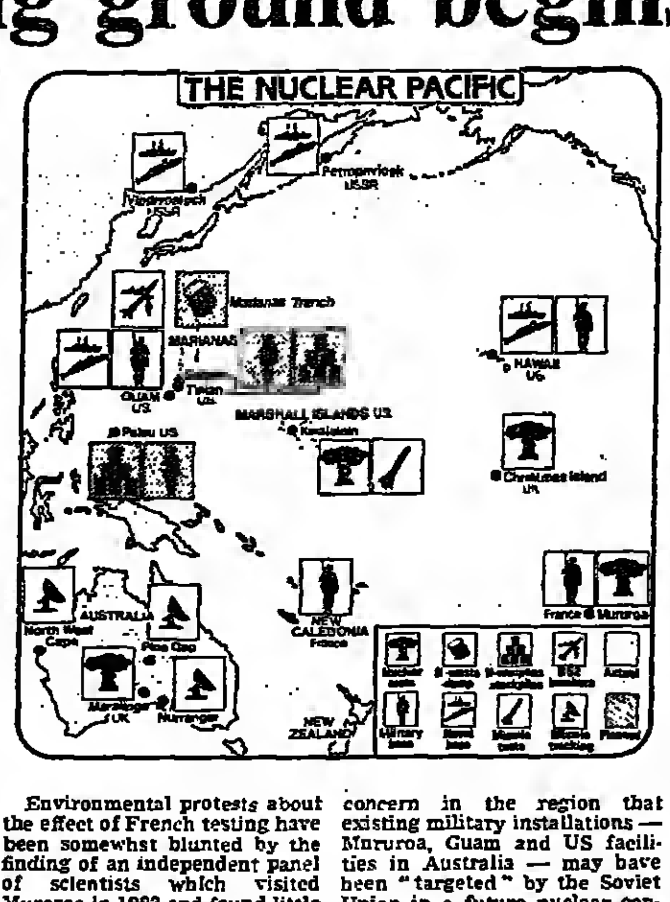
Since 1946 more than 250 atomic and hydrogen bombs have been detonated in the Pacific by the US, Britain and France. This year marks both the 40th anniversary of the atomic bombing of Hiroshima and the 31st anniversary of the first H-bomb test on Bikini atoll in the US-administered Marshall Islands.

Today nuclear weapons are stored on Guam, the likely fall-back if the US is forced to abandon its bases in the Philippines. Guam also serves as a base for nuclear-armed B52 aircraft, submarines and surface warships.

Pearl Harbour in Hawaii is a staging post for Ohio-class submarines equipped with C4 missiles. The US also has a $1bn facility at Kwajeilin in the Marshall Islands to test MX and other anti-ballistic missiles, as well as equipment destined for the Star Wars programme.

The Soviet Union and China have also used the Pacific for missile testing. But the major target of protestors remains the French nuclear testing site at Mururoa Atoll in French Polynesia where last week, France exploded its 74th underground device.

France's insistence on continuing underground nuclear testing on Mururoa, despite repeated protests led by Australia and New Zealand, has infuriated states in the area. Anger at French flag-waving has also fuelled demands for an end to France's colonial presence on Polynesia and New Caledonia, both links in the French force de frappe.



Environmental protests about the effect of French testing have been somewhat blunted by the finding of an independent panel of scientists which visited Muroroa in 1983 and found little evidence of radio-active contamination. However the group, from Australia, New Zealand and Papua New Guinea, was given only limited access to the site and its findings have since been vigorously challenged.

On a different level there is concern in the region that existing military installations — Mururoa, Guam and US facilities in Australia — may have been "targeted" by the Soviet Union in a future nuclear conflict.

There is also concern that the dumping of nuclear waste in the Pacific may resume under pressure from the US and Japan, both of which have plans to dump waste in the Marianas Trench, in the US-dominated Micronesian islands.

A two-year ban on the dumping of nuclear waste at sea was approved by the London Dumping Convention, the international treaty governing disposal at sea, in 1983 and was extended last September. However the convention was split over a motion by the Pacific nations calling for an outright ban on nuclear waste dumping.

Pacific opposition to nuclear testing and dumping was given concrete form last August when the 13 heads of government of the South Pacific Forum met in Raratonga, capital of the Cook Islands, to approve a draft treaty which binds its signatories not to manufacture, test, possess or to store nuclear weapons.

The treaty will have little practical effect on members of the Forum since none of them possess or intend to acquire nuclear weapons. The largely Australian-inspired treaty is also careful not to cut across existing US defence interests in the Pacific.

Its boundaries fall short of both Guam and Hawaii as well as the Marshall Islands despite covering an area of 30m sq miles. In addition the treaty allows countries such as Austria to receive nuclear-armed ships, export uranium under safeguards and maintain nuclear-related facilities on their territory.

This is of crucial importance to Australia which, despite the anti-nuclear cut of its coat, plays host to more than two dozen US installations concerned with America's global defence strategy.

The three major installations include the North West Cape, which links US command headquarters to its nuclear submarines, Pine Gap and Nurrungar, both vitally important early warning systems watching for Soviet and Chinese missiles launches.

Three nuclear powers who own islands inside the zone will, by the end of this year or early next be asked to recognise the treaty by signing three subsidiary protocols. They are France, the US and Britain.

The treaty will, inevitably, be ignored by France. The US, after realising that initial sneers had caused offence, has since said it has some sympathy for its objectives. China has expressed cautious approval while Britain has welcomed the treaty and will probably sign it.

Both Mr Lange, the Pacific's arch-pacifist, and Mr Bob Hawke, the Australian Prime Minister and architect of the treaty, recognise its shortcomings. Inasmuch as it protects Australia's vital interests, such as uranium mining and the country's military link with the US, Mr Hawke positively welcomes the treaty's limits.

But both men argue that a start has been made to a nuclear-free Pacific, however limited. The treaty, Mr Lange argues, has "cemented the existing level of armaments in the region and clearly signalled that we want no escalation from that."

Chemical leak sparks panic in New Delhi

GAS leaking from a chemical factory triggered panic and injured more than 250 people yesterday in New Delhi just one day after the first anniversary of the Bhopal disaster which killed 2,500, Reuter reports from New Delhi.

Choking white fumes engulfed an area where about 200,000 people live and work in the bustling bazaar districts of the capital's old walled city.

The Press Trust of India (PTI) news agency said a safety expert had urged the Government earlier this year to shut down the plant, which produces sulphuric acid, in the wake of the Bhopal tragedy.

Shoppers raced for safety and motorists abandoned their cars in the narrow traffic-clogged streets in a panic rush to escape the fumes, which were not poisonous.

At least 250 people were treated in hospital for breathlessness, violent coughing and sore eyes. Fourteen were in serious condition, a hospital spokesman said.

PTI said fumes escaped for 90 minutes after a 40-ton tank containing oleum (used to make sulphuric acid) overflowed and collapsed.

Manila rebels free hostages

MOSLEM secessionist rebels yesterday released an American and a West German held captive for more than a year in a camp on a southern Philippine island, the US Embassy announced, Reuter reports from Manila.

A spokesman said the Moro National Liberation Front (MNLF) handed over American John Robinow and West German Helmut Herbst to the Pakistani Ambassador on Jolo Island, 600 miles south-west of Manila. They were flown to a hospital at the US Clark Air Base. The two men, who said they were freelance journalists, were kidnapped while riding on a bus in Jolo.

● President Ferdinand Marcos said yesterday that presidential elections expected in the Philippines in February would be clean and outside observers would be welcome.

ADB extends $167m loan to South Korea

THE Asian Development Bank based in Manila has extended a loan package of $167m (£112.8m) to South Korea to finance various projects, Samuel Senoren writes from Manila.

The bulk of the package is a $100m loan to the Korea Long Term Credit Bank which is to be re-lent to private industries.

● Formal meetings between the Red Cross societies of South and North Korea ended yesterday in Seoul without making progress towards the goal of reunifying families separated during the Korean War.

Japan makes last minute bid to keep UK in Unesco

BY JUREK MARTIN IN TOKYO

JAPAN has made an eleventh hour appeal to Britain not to pull out of the United Nations Educational, Scientific and Cultural Organisation (Unesco). The British Cabinet is due to take its final decision on withdrawal today.

Mr Shintaro Abe, the Japanese Foreign Minister, said in an interview last night that he had sent a message to Sir Geoffrey Howe, his British counterpart, last week. He had received no formal reply but still entertained slight hopes that a withdrawal would not take place.

Mr Abe said his message, delivered through diplomatic channels, made three central points:

● It was vital that the momentum for the reform of Unesco achieved at its recent general conference in Sofia be maintained.

● Britain could best bring about that reform by remaining inside the organisation.

● As a Unesco founder member, Britain had always played an important role

Japan, he said, would be surprised and shocked if Britain chose to pull out. "We are worried about the effect on other member states, especially in Europe," Mr Abe added.

Following the US withdrawal a year ago, Japan has become Unesco's second largest contributor, ranking behind the Soviet Union. Its current year payments to Unesco's budget are $17.56m (£11.86m), just over 10 per cent of the total. The British subvention is about £5m.

Mr Abe said Japan intended to stay and fight for reform from within. "We are fully aware," he went on, "that the situation cannot remain as it is." The Japanese purpose was to effect changes that might enable the US once again to become a member.

But he maintained that there were some encouraging signs from the Sofia session in October and November. Even Mr Amadou Mathar MBow, Unesco's controversial director general, had accepted some of the proposals advanced by Japan.

Anthony Robinson analyses the launch in Durban of a super trade union federation

Workers pledge to pursue political ends

FIVE YEARS after the South African Government introduced the most significant reform of apartheid to date by legalising black trade unions, the union movement has created a new super federation whose main aim is to put union muscle behind faster political change.

Launched last weekend after four years of complex inter-union negotiations, the Congress of South African Trade Unions (Cosatu) is arguably the most significant event in black politics since the formation of the anti-apartheid United Democratic Front (UDF) in August, 1983. Its aim is to provide a new focus for the wider political aspirations of black workers and to act as a lobby for change.

It is a development made possible by the Government's acceptance of the arguments put forward five years ago by employers and labour specialists that legal black trade unions were preferable to dealing with what one labour relations expert characterised as "5,000 angry black workers in a field."

Legalisation of black trade unions on lines recommended by the 1979 Wiehahn Commission not only created an institutionalised system for the solution of labour disputes, it also set up the first legal channel for democratically elected black leaders to negotiate directly with the white economic power structure.

Since then, around 800,000 black workers have joined the independent black unions out of a total registered union membership of 1,406,000. This represents 15 per cent of the economically active population of around 12m.

Cosatu was launched at a mass rally of 10,000 black unionists in Durban last weekend. Mr Elijah Bariya, the 53-year-old vice president of the National Union of Miners (NUM), was elected president and carried shoulder-high to the podium.

Four years of difficult negotiations preceded this new symbol of black trade union unity and the end result is a federation of 34 unions with 450,000 paid-up members. It brings together the relatively tightly organised industrial unions, of which the biggest and most effective is the NUM, and many of the less structured general or blanket unions, like the South African and Allied Workers' Union (Saawu), and the General and Allied Workers' Union (Gawu).

One of the aims of the new federation is to eliminate the rivalry and overlapping which has accompanied the mushroom growth of unions over the last five years, by reorganising them on a one-union, one-industry basis. This is one of five principles, the others being non-racialism, worker control, representation on the basis of paid-up membership, and co-operation at a national level.

What became clear at the federation's launch was the degree to which 18 months of black protest and police repression and four years of unity talks against the background of rising unemployment have politicised the union movement.

In the course of negotiations, the more traditional pay and conditions emphasis of the industrial unions, formerly gathered together in the Federation of South African Trade Unions (Fosatu), was modified to accommodate the more overtly political approach of unions affiliated to the UDF and the "black consciousness unions." These are grouped in the Council of Unions (Cusa), and the Azanian Confederation of Trade Unions (Azactu).

The point was made forcibly by Mr Cyril Ramaphosa, general secretary of the NUM and a driving force behind the unity talks, when he told a Press conference: "Cosatu is going to fight political battles, against the pass laws, against the migrant labour system, against the black homeland system, and against all laws which divide us according to race, ethnic origin and sex. We are going to contribute to the liberation struggle."

If there was still any doubts about the political ambitions of the new federation, they were dispelled on Sunday when its new president, Mr Bariya, a former African National Congress (ANC) activist, called for nationalisation of the mines and major industries, declared Cosatu's support for the foreign disinvestment movement and promised to lead a new campaign of pass burning if the Government did not abolish within six months the hated pass laws.

These dictate where a black may live and work and their application leads to the arrest of more than 200,000 blacks annually.

Despite the militant political stance of the new federation, however, the two black consciousness federations remain outside the structure because of its commitment to non-racialism. The black union movement thus remains split along lines which reflect that between the two major black banned political organisations, the ANC and the Pan African Congress (PAC).

But if Cosatu's formation falls short of its long-term aim of "one country, one federation," the fact remains that its affiliates organise workers in all the key areas of the South African economy — mining, metals and engineering, the motor industry, retailing, food and catering, textiles, transport, and many other sectors.

Collectively, it wields a lot of industrial muscle. The point will not be lost on the Government, which was deeply shocked in November last year when 800,000 workers in Transvaal, South Africa's industrial power house, staged a two-day work stay-away in protest against the military and police raid on Sebokeng and other East Rand townships.

This was the first major use of the strike weapon for political purposes on such a large scale. Federation leaders made clear over the weekend it will not be the last.

South Africa's state-controlled radio yesterday attacked the newly-formed Congress of South African Trade Unions Cosatu), claiming that it intended to make the country ungovernable, writes Jim Jones in Johannesburg.

In the daily news commentary which usually reflects government policy, Cosatu was accused of furthering the aims of the banned African National Congress (ANC). In what appeared to be a veiled warning, the commentator asked whether "it can be allowed to do so." The trades union was also linked to the United Democratic Front (UDF), the broadly-based multi-racial grouping of social and community groups. Office bearers of the UDF and its affiliates comprise the majority of the 1,400 people detained since the July declaration of a state of emergency in parts of the Republic.

The commentary attacked Costatu's socialist programme, its support for economic disinvestment and nationalisation of the country's mines. "The functions which gave a trade union the right of existence," said the commentator, were "negotiating better conditions of service, higher wages and a fairer dispensation for its members."

Iran resumes oil supply to Syria

BY OUR MIDDLE EAST STAFF

IRAN is believed to have agreed to a resumption of oil supplies to Syria following talks between the two countries in Tehran. Syria had been receiving up to 6m tonnes of oil a year from Iran at preferential prices in return for its refusal to reopen the oil pipeline from Iraq to the Mediterranean.

For at least the past two months Iran had suspended deliveries, in part because Syria had fallen behind with its payments but also because of the intensity of Iraqi air attacks on its main oil export terminal at Kharg Island.

Syria has been the main Arab ally of Iran in the five-year Gulf war, a stance largely determined by its hostility towards Iraq. However, the relationship has been complicated by Iran's support for Islamic fundamentalists in Lebanon where Syria is seeking to impose its own peace settlement.

An official statement issued in Tehran yesterday described the talks as successful and friendly and looked forward to a tremendous improvement in relations. Iran also paid tribute to the "honest efforts" of Syria to guarantee the territorial independence of Lebanon.

Iraq meanwhile continued its aerial bombardment of Kharg Island and claimed to have hit another large naval target in the Gulf. Statements from both Tehran and Baghdad also reported fighting in the central sector of the battle front, with hundreds of troops said to have been killed.

Despite the fighting, Iran announced that Ali Akbar Velayati, the Foreign Minister, will visit Saudi Arabia for talks at the weekend. Saudi Arabia has been by far the largest financial suporter of Iraq's war effort.

IMF standby for Bangladesh

BY JOHN ELLIOTT IN DHAKA

BANGLADESH has this week secured a $190m (£128m) 18-month standby arrangement from the International Monetary Fund to help it cope with severe balance of payments pressures which have cut its foreign exchange reserves to $250m from a record high level of $540m in July last year.

The Government hopes that reserves will climb back to $400m by the end of the current financial year next June, boosted by $85m of the IMF facility due this year and by a recovery in the level of recently declining remittances from Bangladeshis working overseas.

Economic measures approved by the IMF which have been introduced by the Government include devaluation of Bangladesh's currency, which has moved from taka 27 to the dollar to taka 30.5 since June.

Some observers believe it might decline further to taka 33. However, Mr M. Syeduzzaman, a senior civil servant who is finance adviser to President Ershad and a cabinet member, said yesterday he did not agree this would be necessary.

Talks on the standby started seven months ago, partly in response to pressures from major aid donors who give Bangladesh $1.4bn a year and who felt that the country's economic problems required IMF disciplines.

Other measures introduced include restrictions in liquidity expansion which grew by 42 per cent in 1983-4 and 24 per cent in 1984-5 with rapid growth of private sector credit. Interest rates are to be maintained at positive levels in real terms in relation to inflation which, Mr Syeduzzaman said, had been done for the past three years.

"We have taken all these measures ourselves, including maintaining a realistic exchange rate so we have had no difficult conditionalities from the IMF," he declared.

The agreement was reached on Monday, one day before Bangladesh finalised and published its third five-year plan for 1985-90 which envisages an outlay of Taka 386bn ($12.6bn).

This is 22 per cent above the 1980-85 plan at current prices but it is realistic, according to Mr Syeduzzaman, despite a serious shortage of domestic financial resources.

Role of small shareholder thrives in US

BY TERRY DODSWORTH IN NEW YORK

THE TRADITION of active individual shareholding in the US is aliva and well and continues to grow. But share huying is being increasingly channeled through the medium of stock mutual funds. which have captured virtually all the expansion in ownership over the last two years.

These are among the main findings of a study from the New York Stock Exchange (NYSE) based on a telepbone sampling survey covering the wbole of the US. The conclusions strongly contest the view of some hrokerage firms that small shareholders bave been retreating from the US stock markets in the face of the burgeoning institutional investors.

"The story that's emerging from the research data tells us that more of the American public is buying shares in a bealthy, expanding and successful market nlace," said Mr John Phelan, chairman of the NYSE yesterday.

Mr Phelan. wbo was sneaking at the annual jamboree held by the U.S. securities industrv in the plush Florida resort of Boca Roton. also delivered a decidedly npbeat message to brokers on nrospects for tha next 12 months.

Among investment oriented households—those which currently hold financial instruments other than passbook savings, life lnsurance of pension plans—most felt they were as well off (43 per cent) or better off (45 per cent) than a year ago and were positive about the future. Abont 50 per cent felt that they would be better off a year from now and tbought it likely that they would have more discretionary income to invest in tha coming year.

In the coming year a majority of owners of hoth stocks and stock mntual funds planned to invest more heavily, and an additional 20 per cent intended to hold what they adready had. A mere 10 per cent expected to be selling, said Mr Phelan.

All this must be music to the ear for the securilies companies, who are already flush with tha profits of an exceptional year's trading — they are likely to chalk up the second best profits year they have ever had in 1985.

Although the stock trading boom, which has given the equity market a particular boost in the past three month, appears to hava been driven by insitutional intterest, the NYSE figures show that stock ownership in the US ia up 11 per cant from mid-1983 to July 1985 at a total of 47m individual investors.

Over the past decade, the number of shareholders in the US has almost doubled, from 25m in 1975, and the total number of shareowners haa been growing faster than the population as a whole. Today, sbareholders as a ratio of the population amount to 20.1 per cent, against 11.9 per cent back in 1975.

The increasing interest of individual investors, which has reversed a downward trend in the early 1970s, is partly due to the influence — currently waning — of the "baby boom" generation. Now in middle age, the "baby boomers" are at a period in their careers where they are generating discretionary income, and their entry into share ownership has brought the median age of individual investors down to 44 against 52.5 10 years ago.

US factory orders decline by 1.1%

NEW orders for US manufactured goods decreased $2.2bn (£1.5bn) or 1.1 per cent in October to a seasonally adjusted $195.11bn, the Commerce Department said, Reuter reports from Washington.

In September orders fell a revised $1.5bn or 0.7 per cent. The department previously estimat ol September factory orders fell 0.6 per cent.

Durable goods orders dropped $2.2bn or 2.1 per cent in October, the same decline as estimated in a report issued on November 26.

The department said the October decrease was mainly the result of a decline in defence capital goods orders, which dropped $2.1bn or 26.3 per cent. Excluding defence, new orders were unchanged from September.

The decline in durable goods included a drop in transportation equipment and machinery other than electrical.

Durable goods fell $1bn or 0.9 per cent in September. Non-durable goods fell slightly in October to $90.67bn from $90.69bn.

Peru prices fillip

THE rate of inflation in Peru grew by 2.7 per cent in November, the lowest monthly rate since May 1980, Doreen Gillesple writes from Lima. Mr Luis Alva, the Prime Minister, described tbe relatively small rise as the greatest achievement of the new government.

Reginald Dale discusses the national security adviser's departure from the White House

McFarlane falls victim to power struggle

Mr Robert "Bud" McFarlane once said that he owed his job to the belief that he represented "no threat" to the other leading players in the Washington power struggle. When be was appointed President Ronald Reagan's National Security Adviser in October 1983, the soft-spoken, shy-seeming ex-marine was not seen as a potential heavy-weight in the perennial Washington in-fighting usually between fueding barons at the Pentagon and the State Department, that has continued unabated during the Reagan presidency.

And yet it is largely as a result of in-fighting, rather than fundamental policy differances, that he is now leaving the White House. In recent weeks, it has become an open secret in Washington that Mr McFarlane can no longer tolerate tha abrasive management style, and the interference in his territory, of his fellow former marine, Mr Donald Regan, the White House Chief of Staff.

McFarlane: coincidence of views with Reagan

Influence

Mr McFarlane, 48, has never attained the dominant public stature of some of his predecessors in the national security post, such as Mr Henry Kisslnger or Mr Zbigniew Brzezinski. He is still not regarded as a towering, intellectual geopolitical thinker.

But from modest beginnings two years ago, he has seen his influence inside the White House rise steadily to a point at wbich be has recently enjoyed virtually unrivalled personal access to Mr Reagan, the key to success in Washington power politics. From a role that at first seemed little more than that of a loyal liaison officer, be hecame one of the leading exponents of the Administration's strategic philosophy—often in the well-worn guise of a quasi-anonymous "senior administration official."

His rise was helped by a coincidence of many of bis views with those of Mr Reagan. He is a strong aupporter of the Star Wars strategic defence programme and the move from an offensive to a defensive nuclear strategy that is meant to accompany its introduction. He is a devout believer in the "Reagan doctrine" of continuing to confront the Sovlet Union in local conflicts around the world, by supporting anti-Communist "freedom fighters," while trying to ensure that overall superpower competition remalns peaceful.

Inside the White House, he found a vacuum waiting to be filled between tbe "bawks" of Mr Caspar Weinberger's Pentagon and the "doves" of Mr George Shultz's State Depart ment. He has moved, bowever, predominantly in alliance with Mr Shultz (another extmarine), with wbom he is sald to have agreed about 80 per cent of the time. His alliance with Mr Shultz has in recent months coincided witb a period in which Mr Weinberger, alao a victim of Mr Reagan's "chief executive officer" management techniques, has found his influence on tbe wane.

Tension

Mr McFarlane has not always aeen eye to eye with Mr Shultz, now well-ensconced as Mr Reagan'a senior foreign policy adviser. The two men clashed early in October when Mr McFarlane surprised Wasbington by publicly siding with the Pentagon over a distinctly "hawkish" interpretation of the 1972 Anti-Ballistic Missile Treaty, apparently without thinking to secure Mr Shultz's approval in advance.

In recent weeks, however, and particularly in the run-up to last months' Geneva summit, bis main problems appear to have been with Mr Regan. Personal tension between the two are believed to have increased sbarply during the summit, during whicb Mr McFarlane is reported to have felt "hemmed in" by the chief of staff.

The numerous friends and officials wbo have been explaining Mr McFarlane's grievances in recent days say that he has particularly resenled Mr Regan'a growing encroachment on his foreign policy and national security turf.

Mr Regan, wbo sees bimself as a cross between the Administration's managing director and a European Prime Minister, appears to bave felt cballenged by Mr McFarlane's direct access to the President, of which be would prefer to have a monopoly. He is reported to have made it clear to Mr McFarlane that he must discontinue his practice of taking short-cuts to Mr Reagan, by-passing the chief of staff. At the height of his power, Mr McFarlane is said to have signed decision memorandums "Rohert C. McFarlane, for the President," without even showing them to Mr Reagan.

Since arriving at the White House from the Treasury in early February, Mr Regan has made no secret of his intention to establish himself as the undisputed number two to the President. During Mr Reagan's cancer operation in July he asserted himself over Vive President George Bush, gathering the reins of government firmly —if a trifle too ostentatiously —into bis own haınds.

He has cut rival power centres down to size by ensuring that relatively light-weight figures are appolnted to head bodies like the Council of Economic Advisers and the Office of Management and Budget. Insidc the White House, he is a stickler for discipline and the need to "run a tight ship."

Mr Regan has had his ups and downs. During the summer bolidays he appears to have concludwed that he had been a little too pushy during the presidential cancer operation and that he risked being too confrontational with Congress, and particularly Mr Reagan'a Repuhlican allies on Capitol Hill. Since then, the White House has been rather more concllliatory on issues like South African sanctions, protectionism, tax reform and the budget deficlt.

Apology

Last month, Mr Regan provoked an outcry by allowing himself to be quoted as saying that most American women would not understand summit issues like missile throw-weight and Afghanistan, and would be more lnterested in the doings of Mrs Reagan and Mrs Gorbachev in Geneva. For that he has grudgingly apologised.

But for the moment there is no sign of a weakening ni Mr Regan's close relationsbip with his fellow-Irishman Mr Reagan. And, if another Washlngton rumour is to be believed, Mr Reagan bimself may have begun to find Mr McFarlane's sometimes monotonous presentations of foreign policy a little tedious.

Senate approves farm credit system changes

By Nancy Dunne in Washington

THE US Senate yesterday passed emergency legislation to reorganise the troubled farm credit system, the nation's largest agricultural-lender, and to allow an infusion of federal aid when the system's own resources are depleted.

The measure allows the system's regulator, the Farm Credit Administration, more authority to discipline the managers of the more than 700 banks and associations whicb belong in the $72.2bn (£49.7bn) net work. It requires that the banks pool their assets so that the strong might rescue those hardest hit by the declining farm economy.

Many of the provisions in the measure were requested several months ago by the system's officials when its deep troubles were first becoming apparent. Run mostly by farmers who are elected to serve on local boards, many of the banks bave been of accused of the mismanagement which the legislation is designed to correct.

The legislation is not specific about bow much assistance would be forthcoming from the Treasury. Help would be requested by the chairman of the reorganised regulator, and the decision about bow mucb help would be given would rest with the Treasury Secret Ary. The system's Governor has asked for $5bn in aid—other officials bave request $6bn.

Independent analysis have estimated that between $10bn and $20bn might he necessary to rescue the system.

Alfonsin heads for clash with unions

By Jimmy Burns in Buenos Aires

A RENEWED confrontation between tha Argentine Government and the main trade union organisation, the General Confederation of Labour (CGT), appeared to be looming yesterday after a meeting between President Raul Alfonsin and Mr Saul Ubaldini, the recently elected leader of the CGT, failed te prodnce any substantial agreement.

Confirming the Government's apparent determination to push ahead with its anti-inflation drive at least into the first quarter of 1986, Mr Alfonsin rejected CGT demands for either immediate across-the-board salary increases or the doubling of the traditional year-end Christmas bonus.

Mr Alfonsin also stalled en labour demands that the Government drop its controversial plans to limit trade union control of the country's social security system. A draft law would divide the running of pension funds and social security payments between government, employers and unions, and not hand total control to the CGT as existed during the government of the late General Juan Peron.

Militant trado unionists like the railway workers, who will today stage a 24-hour national strike, are expected to step up pressure on Mr Ubaldini to organise industrial action in support of wage claims of over 20 per cent.

Sarney under fire for using legislative decree

BY RICHARD FOSTER IN BRASILIA

PRESIDENT Joso Sarney of Brazil has been obliged to resort to a legialative device be promised never to use. Whan he took office six months ago Mr Sarney said he would not govern by decree, a mechanism used by previous military regimes, which allows the President to issue laws by fiat.

However, in two recent instances on delicate issues where quick action has been necessary, Mr Sarney has revived the decree: over the closure of three large banks and to change tha basis for calculating inflation. Decrees eutomatically become law after 45 days if they are not modified or challenged by the Brazilian Congress.

President Sarney may have to use the device again this week to push tax reforms through a quarrelsome Congress.

Under Brazil'a constitution, changes in taxes have to be passed in the yeer prior to their implementation. The tax reforms are being debated in Congress at a slow pace, and the Government regards them as an essential part of its plans to curh the puhlic sector deficit in 1986.

Because of its ample use by military presidents, the decree-law is regarded as a symbol of authoritarianism in Brazil. Aware of growing concern at Mr Sarney's use of the decree, a legislative alde said this week: "Tha rule now is to use the decree law as little as possible."

Mr Sarney has also found himself in tronhle with the opposition for bis changing attitude towards the presidential term of office.

Last year the Brazilian Democratic Movement (PMDB), the party which gave the main backing to Mr Sarney, and the original presldent elect, the late Mr Tancredo Neves, campaigned for direct presidential elections hy a popular vote. Although the PMDB campaign for direct elections failed, the party still maintained this was its preference.

However, Mr Sarney has now indicated he intends to remain in power for the full six-year presidential term. Mr Tancredo Neves, on the other band, bad suggested that he would probably serve a shortened term to allow for quick direct elections.

Faced with more than five years ruled hy a President chosan by an electoral college, the main left-wing opposition has teamed up to press for changes. Mr Luis Inacio da Silva, head of the Workers Party (PT) and Mr Leonel Brizola, the leader of the Brazilian Labour Party (TDT) want a constitutional amendment to permit direct presidential elections in 1986.

WORLD TRADE NEWS

Brussels may attack US bid to open up European telecoms

BY PETER BRUCE IN MUNICH

US EFFORTS to speed up de-regulation and liberalisation of telecommunications in Western Europe are likely to come under attack from the European Commission in Brussels today.

Commission and US officials are holding a regular, scheduled meeting on telecommunications, but the Europeans have been angered by whant they see as US interference in individual EEC member countries.

The Commission's concerns bave been heightened by the presence in Munich on Tuesday and yesterday of a US delegation there for talks with West German officials. Discussions, prompted by American complaints thal the West German telecommunications market is very difficult to enter, appear to bave made little progress.

"We are concerned that the Americans are breaking with international trade principles," aaid one Brussels official. The General Agreement on Tariffs and Trade (Gatt) made no mention of the "fair" market access the US is demanding, the official said, and "we do not want the Americans attacking individual member states."

The US and German teams in Munich both said their talks had been friendly and constructive. The closest the two sides came to agreement, however, was a US admission that West Germany was suffering a deficit in bilateral telecommunications trade. The size of the deficit remains in dispute, however, with the US claiming $59m and the Germans $1.19bn, last year.

Both sides in Munich also went out of their way to insist that the talks were no more than a fact-finding exercise. Further meetings are planned.

The tight control that the West Germao telecommunications monopoly, the Bundespost, has on the telecommunications equipment and data transmission markets, bas frustrated some American companies. The Bundespost announced an eight-point programme, which, it hoped, would ease irritation in the US.

According to a list produced by the Bundespost, US companies will now be able to compete, without fear of discrimination, in Bundespost equipment tenders offered throughout the EEC.

The list also promises that West Germany's complex equipment testing and approval system will be streamlined and that suppliers would be given a "rigbt" to obtain type approval.

It said that after the introduction of volume-based tariffs (on lines now leased at fixed rentals) in 1988, the Bundespost would make it easier for outsiders to offer "value-added networks" such as electronic mail services.

US plant order for Japan

BY CARLA RAPOPORT IN TOKYO

KAJIMA, Japan's largest construction contractor, has won the order to build the new Chrysler-Mitsubishi Motors car plant in the US.

The deal is estimaled to be worth nearly $150m (£107m).

Work on tbe plant in Illinois, which will produce 180,000 cars a year, is expected to begin next spring.

Tbe deal will boost Kajima'a US sales by nearly 60 per cent.

Washington, Tokyo fail to reach leather pact

THE US is considering trade action against Japan after failing to reacb an agreement to open Japanese markets to US leader goods, Dr Clayton Yeutter US Trade Representative said yesterday, **Reuter reports from Washington.**

Dr Yeutter also said the EEC had agreed to end aspects of its canned fruit subsidy programme whicb the US considered unfair, allowing for expanded exports of American canned fruit to Europe.

President Ronald Reagan bad set December 1 as a deadline for resolution of both trade cases.

In the case of leather and leather footwear: "We now have to consider what actions we will take," Dr Yeutter added.

Possible retaliatory action tbe US could take against Japan includes cutting Japanese leather and fibre-optic imports by about $274m (£195m)-worth a year, the amount wbicb US leatber and footwear makers are estimated to be losing because of tbe closed Japanese markets.

● Dr Yeutter yesterday said that President Ronald Reagan was almost certain to veto legislation limiting imports of textiles and aboes.

He predicted that Congress would sustain the veto, calling the margin by whicb the House approved the Bill on Tuesday, far less than the two-thirds majority needed to override.

Dr Yeutter said be believed the 255-161 vote on textiles showed protectionist sentiment in Congress had ebbed.

He added that the Administration was now identifying trade legislation it could support, and next year would seek to work with Congressional leaders in fashioning a major, bipartisan trade Bill.

US and Canada square up for trade talks

BY BERNARD SIMON IN TORONTO

WHEN the Reagan Administration asks Congress within the next week or two for a mandate to set negotiations in train for a free trade agreement with Canada, tbe groundwork will be laid for lower barriers between the world'a two leading trade partners. Some important signals will also be sent to participants in the coming round of multilateral trade talks.

Unlesa Congress takes the unlikely step of blocking the Adminiatration request (it has 60 working days to do so), US and Canadian officials are expected to begin serious negotiations before mid-1986.

Their aim will be to provide easier access to each other's markets for the bulk of the $110bn trade in merchandise between the two countries, as well as a freer exchange of services, ranging from broadcasting rights and patent protection to banking and insurance.

Waabington is expected to name Mr Peter Murphy, currently Deputy Trade Representative in Ceneva, as its chief negotiator. The Canadian team will be led by Mr Simon Reisman, a respected former civil servant who was Deputy Minister of Finance in tbe early 1970s.

US officials make no secret of their intention to use the talks with Canada as a lever to prod other trade partners towards progress in the multilateral negotiations. But their stralegy is not yet well-defined, and will obviously depend heavily on the talks.

Althougb both sides are keen to complete the US-Canada negotiations within about 18 months, progress could be slowed (or even halted) by political sensitivities, especially on the Canadian side, or by tbe plethora of business and labour interests wbich fear the consequences of freer trade on market sbare, jobs and profits.

Mr William Merkin, the official in the US Special Trade Representative office in charge of negotiations with Canada, saya that Washington will press for a bilateral agreement consistent with article 24 of the General Agreement on Tariffs and Trade (Gatt).

Article 24 lays down that a free trade pact requires the elimination of duties and other restraints on "substantially all the trade" between participating countries according to Mr Merkin. "We should go into tbese talks with an open mind on everything."

In particular, the US hopes that bargaining on services and non-tariff harriers will set an example for the multilateral negotiations.

Mr Mulroney . . . free trade initiative a sensitive issue

Among the items whicb Washington is likely to press Ottawa to put on the table are Canada's compulsory licensing system for patented pharmaceuticals, which Washington believes givea inadequate protection, generous government subsidies for regional development, copyright payments on the rebroadcast of television programmes and curbs on foreign ownership in the insurance industry.

In spite of some public posturing, the Canadians have not ruled out talks on these issues. They have a shopping list of their own. On the other hand, neither side plans to include social security programmes, which have been cited as unfair subsidies in some recent trade disputes between them.

Whatever deal eventually emerges may be bedged with exemptions and safeguards, reflecting eacb side's concerns over sucb sensitive areas as farm products and culture. But the US wants to cover as broad an area as possible and has firmly ruled out any agreement limited to a few specific sectors.

Canada bas much more at stake than the US in the forthcoming bilateral talks. While the US's exports to its northern neighbour make up only about 20 per cent of total foreign sales, America provides Canadian exporters with three-quarters of their market. Exports to the US contribute about 20 per cent of Canada's Cross National Product and American companies make up almost 80 per cent of foreign investment in Canada.

Furthermore, Prime Minister Brian Mulroney's free trade initiative is a sensitive and high-profile political issue in Canada. The mere mention of free trade evokes real concern among some Canadians that they will be swamped by US goods and American culture, while US investors close their Canadian plants to rationalise production at larger units south of the border.

The Administration hopes to forestall opposition in Congress to the free trade talks by trying to divorce the troublesome issue of fast-rising imports of Canadian softwood lumber from the broad trade negotiations.

American timber growers have complained about Canada's low stumpage fees (the price charged to cut trees in government forests), and a Bill before Congress aims to classify the low amount of these fees as unfair subsidies. Talks on the lumber dispute are scheduled to start before the end of the year.

Business interest in the free trade talks is growing on both sides of the border. With notable exceptions like farming, food processing, brewing, textiles and furniture, Canadian businessmen generally support trade liberalisation as a means of securing and broadening access to the US market.

Progress towards an agreement and the implementation of any deal struck by the two negotiating teams is likely to depend beavily on the degree to which Mr Reagan and Mr Mulroney are willing to twist arms and bend ears.

Jumbos give cars a lift

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

LUFTHANSA, the West Cerman flag airline, and Alitalia of Italy, from next autumn wil participate in a logistical development in motor-car manufacture — flying Italian car bodies built in Turin in bulk to Detroit in Boeing 747 Jumbo jets.

The two airlines yesterday signed a long-term charter agreement in Detroit with Cadillac and Pininfarina. Under the agreement, Lufthansa will fly twice weekly from Turin to Detroit, carrying 56 car bodies per flight, atarting on October 13.

The bodies will have complete interior furnishinga but no wheels, suspensions, engines and transmissions, wbich will be installed in Detroit.

One of the Lufthansa return flights each week will carry parts to Turin required by Pininfarina. Alitalia will fly car bodies once a week to Detroit from Turin, also carrying parts back.

BP, Shell may be willing to help Saudis in UK aircraft deal

BY RICHARD JOHNS

BRITISH PETROLEUM and the Royal Dutch/Shell Croup are understood to be willing in principle, thougb with some reluctance, to be involved in the partial financing with crude oil of Saudi Arabia's purchase of Tornado, Hawk and other aircraft from British Aerospace.

The two companies concluded contracts this autumn to buy 100,000 barrels a day eacb of Saudi crude on a "net-back" basis.

"Net-back" is calculated on the realised price of products after deducting the cost of transportation and refining, which allows purcbasers an agreed margin.

The contracts are "ever-green" —automatically renewable every three months with either party having the right to cancel at 30 days' notice and guarantee the profitability of processing the oil, ranging from about 40 cents to $1 a barrel in the 11 deals concluded so far.

The British Government is pressing both companies to enter into long-term commitments so that cash-flow can be generated to make progress payments under the British Aerospace deal. The Saudis, too, are believed to be thinking in these terms.

Over a full year and at the recent "net-back" value of Saudi export crude mix of $27 per barrel 200,000 b/d would be worth nearly $2bn, more than enough to pay for the 20 per cent advance payment associated witb normal Saudi Government contracts.

Given the financial squeeze on the Saudi Government and its payment delays, reports that tbe Saudi Arabian Monetary Agency (Sama) bas opened an account for funds related to the Tornado deal has been greeted as a refreshing surprise by international bankers and Whitehall officials in Whitehall.

Any such move by Sama is seen as reflecting the determination of the powerful Prince Sultan, Minister of Defence and Civil Aviation who ranks third in the Saudi royal hierarchy, to go through with the deal.

The UK Government sees the contracts as a means of financing any part of the contract, worth $3bn-$4bn, including equipment, spares and training, covered by a countertrade accord.

The details and actual size in financial terms of the aircraft deal is, however, far from being finalised.

The Sandi Ministry of Defence and Civil Aviation has not yet given any clear indication as to what proportions of cash and crude it is thinking of.

BP and Shell have somewhat grudgingly indicated their acquiescence in an arrangement whereby they would, in effect, act as agents for the disposal of crude related to the UK-Saudi government-to-government deal.

Neither company would comment on any possible involvement in financing arrangements.

Tbeir reservations about collaboration arise from their traditional concern about their commercial independence from governments. In addition, they do not want to commit themselves to any long-term purchase obligations.

In practice, BP is believed to be happier about the prospect of collaboration because it wants to strengthen its ties with Saudi Arabia for reasons of long-term corporate strategy.

On the face of it there would be no problem for either as long as they wish to go on purchasing at the rate of 100,000 b/d. Yet the oil companies would view very differently any obligation to dispose of crude they did not want for their own commercial operations on the open market.

BP was already buying 25,000 b/d under contract, a volume which has not been affected by the "net-back" deal. Sbell has entitlement of 200,000 b/d of "incentive crude" because of its involvement in refining and petrochemicals ventures with Saudi Arabian Basic Industries Corporation.

This deal worked out five-six years ago at a time of tight supply is very unattractive at official selling rates. The company also declined to comment on this aspect of their Saudi relations. Companies lifting less than 90 per cent of their entitlements incur penalties.

It is believed, however, that the Saudi Government recently allowed Shell to postpone until next year rather more than half of its entitlement and that the company is lifting only 90,000 b/d or so of "incentive" crude.

Mobil and Exxon are said to have been given the same treatment in respect of the whole of the volumes—about 200,000 b/d and 80,000 b/d respectively—to which they were committed.

Under the first "net-back" deals clinched in the late summer meanwhile, Exxon is purchasing at a favourable price 440,000 b/d and Mobil 150,000 b/d.

مكتبة الأصل

UK NEWS

Disruption threat at Ford as pay talks collapse

BY HELEN HAGUE, LABOUR STAFF

MORE THAN 37,000 Ford workers are to be recommended to take industrial action – including strikes – after the breakdown of pay and productivity talks in London yesterday.

Hourly paid workers across Ford UK's 21 plants will vote on their negotiators' unanimous recommendation in secret ballots in the New year. The Transport and General Workers' Union (TGWU) – the majority union in Ford – will be using secret ballots after mass meetings to assess membership opinion. It is believed to be the first time the TGWU will be conducting plant-wide ballots at Ford.

Union negotiators yesterday formally rejected the company's pay and productivity package which could bring rises of between 13.1 and 15.7 per cent over two years – partly in exchange for radical changes in working practices.

The company's final offer is made up of a 3 per cent rise in basic rates in the first year, plus a further 4 per cent in the form of productivity and efficiency allowances, given in exchange of cbanges in practices on the shop floor. In addition, the 10,000 production workers at Ford have been offered an extra 2 per cent on basic rates in the form of a special allowance. The second phase offers a 6 per cent rise for all hourly-paid workers.

Unions seek clarification of the productivity and efficiency elements of the deal which are based on greater flexibility, the elimination of certain demarcation lines and re-training.

Ford wants to slim down the number of job titles from more than 500 to just 58 and to rewrite hourly paid workers' grading structure.

Mr Mick Murphy, chairman of the trade union negotiating side, said yesterday: "The productivity changes are so far reaching and would have such a major impact in terms of job loss, that the 4 per cent they are offering for them is totally unacceptable."

Mr Paul Roots, Ford labour relations director, said Ford was not trying to copy Japanese work practices but "trying to get rid of old-fashioned ideas."

Jobs go as reshaping starts at Lucas

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

LUCAS ELCTRICAL, the motor components supplier, is to axe nearly 500 jobs as part of the first phase of a rationalisation programme.

Union leaders bave been told that 240 jobs must go in the lighting company at Birmingham, and 255 at the instrumentation factory at Ystredgynlais, South Wales.

Trade unions fear several thousand more jobs within the division are under threat. "We are just being fattened up for Christmas. They will hit us with the bad news in the new year," Mr Mike Nangle, chairman of the senior shop stewards committee, said last night.

The workforce in electrical components – everything from light bulbs to batteries and starter motors – has been almost halved to 12,000 over the past five years. Mr Godfrey Messervey, Lucas Industries chairman, made clear when he announced the annual results last month, that restructuring of the electrical division would continue. All options were open. "We could be injecting money into companies, selling companies or closing them down" be said.

Lucas does not give a detailed breakdown of its figures, but brokers estimate that the electrical division suffered pre-tax losses of around £35m on a turnover of £260m. About £28m of the £37.8m provision to cover extraordinary losses are intended for the electrical operation.

Lucas Electrical has suffered from its heavy dependence upon BL, particularly the Austin Rover volume cars company. Lucas, with a large product spread, finds itself squeezed by declining UK volume and foreign competition from mass producers such as Bosch of West Germany, and Nippon-Denso of Japan.

Lucas said last night that the assessment of its electrical operations was separate from its relations with Austin Rover. Whether or not contracts were under review with Austin Rover, a fundamental examination of operations was necessary.

BL output recovers, Page 9

Lloyds raises £125m with sale of Royal Bank stake

BY CLIVE WOLMAN

LLOYDS BANK bas raised £125m by selling its 16.4 per cent stake in the Royal Bank of Scotland through a stock market placing.

The sale of the stake, along with a 4.9 per cent stake in Royal Bank which it sold seven weeks ago will yield Lloyds a profit of £80m after the payment of capital gains tax. The stake has been held since 1918 through the National Bank of Scotland and the National Commercial Bank which merged with the Royal Bank in 1968.

Mr Brian Pitman, Lloyds chief executive, said that the stake in the Royal Bank no longer fitted in with Lloyds long-term strategy which has been developed over the last two years. This required Lloyds to concentrate more on its mainstream activities and to dispose of its peripheral investments. The bank says it bas no immediate plans for re-investing the £125m proceeds of the sale.

Lloyds' 16.4 per cent stake was placed through stockbrokers Hoare Govett at a price of 270p compared with a market price of 286p immediately before the disposal. The Royal Bank's share price fell 14p to close at 272p. Lloyds share price fell 5p to 473p, at the close.

The 4.9 per cent stake was bought by Lloyds in December 1983 from the Kuwaiti Investment Office and sold back to the Kuwaitis in the deal seven weeks ago. The enbanced stake was used to persuade the Royal Bank to sell its minority stake in the Lloyds and Scottish finance-bouse to Lloyds. Lloyds gave a commitment to the Office of Fair Trading in 1984 to reduce its stake again on competition grounds.

The cash proceeds from yesterday's sale boosts Lloyds free capital ratio – the traditional measure of balance sbeet strength used by the Bank of England – from 7.25 to 7.6 per cent. This is higber than the ratios of the other leading retail banks, according to figures produced by stockbrokers de Zoete & Bevan. Lloyds has a relatively high proportion of its loans tied up in Latin American and other less developed countries.

Insurance brokers face tougher rules

BY CLIVE WOLMAN

THE FINANCIAL Services bill, due to be published two weeks from today, will be taking a tougber line in requiring insurance brokers to disclose their commissions than indicated in the White Paper policy document, in Jannary.

The bill will also reject the requests of many financial institutions to be granted an exemption from the general requirements of the law of agency if they establish so-called "Chinese Walls" – barriers to block tha flow of information between their departments.

In particular, the bill will prohibit a bank, which gives advice on shares to an investor in one of its branches, from executing his order through its own stock market dealing subsidiary, unless no other dealer is offering a better price.

In the marketing of life assurance and other investments, the White Paper indicated that insurance brokers, who claim to be offering independent advice, would not bave to disclose their commissions if they were paid no more than an industry-agreed scale.

This concession to brokers is now likely to be made less attractive.

However, since January, Department of Trade and Industry (DTI) officials have been worried that without extra safeguards an investor would often fail to appreciate the level of commission a broker is being paid for selling a particular policy.

Many officials would prefer to follow the common law principle that all commissions must be disclosed automatically.

Westland aid talks to begin

By Bridget Bloom, Defence Correspondent

SENIOR EXECUTIVES of three European helicopter companies will meet officials from Westland this morning in an effort to agree a formal bid to rescue the ailing British helicopter manufacturer.

The bid is being put together by Agusta of Italy, Messerschmitt-Bölkow-Blohm of Germany and Aèrospatiale of France. The three companies bave already submitted a formal proposal to Westland and today's meeting is being seen as an attempt to clarify outstanding points on both sides.

Although the impetus towards a European solution to Westland's problems has been given by Mr Micbael Heseltine, the UK Defence Secretary, with the backing of his European ministerial colleagues, be will not be present at today's meeting.

Westland is far advanced in rival negotiations with Sikorsky.

Philips doubles VCR sales

PHILIPS, the Dutch electricals gronp, has doubled its share of the European video recorder (VCR) market since it adopted the Japanese developed VHS format, **Jason Crisp writes.**

The improvement has been particularly dramatic in the UK, still the largest European market for VCRs, where Philips had negligible sales when it only sold its own V2000 format. Philips claims that it now has 12 per cent of the market and is second only to Thorn EMI.

Philips made the decision to start selling VHS videos in Europe last year when it was clear it had become the dominant format.

□ **MR CHARLES HAUGHEY,** leader of the Irish opposition, told the Dail (parliament) that Mr Tom King, the UK's Northern Ireland Secretary, had authentically reflected British attitudes when he said the Anglo-Irish agreement implied that Ireland would never be united.

"The reality is that Mr King's remarks are exactly the way the British are presenting the agreement internationally," Mr Haughey said. His Fianna Fail Party opposed the agreement, which it said entrenched partition and contravened the Irish constitution.

King regrets: Page 9

□ **MR KENNETH BAKER,** the Environment Secretary, has offered to meet Dr Robert Runcie, the Archbishop of Canterbury, to discuses the Church of England's controversial report this week on the decline of inner cities.

Mr. Baker's offer came as he faced renewed attempts by opposition MP's to exploit criticisms of government policy contained in the report, called Faith in the Cities.

□ **MR JOHN GUNN,** former chief executive of Exco International money broking and financial services group, will become non-executive director of the Dublin-based Silvermines venture capital and holding company.

□ **BRITISH** Rail Property Board has announced plans to bring shops into railway station concourses as part of a plan to promote retail investment in stations and raise revenue.

□ **T. I. RALEIGH,** tha cycle manufacturer, is to lay off its entire 2,000 workforce for eight days after Christmas due to weak markets and sales.

□ **MR ALEX DIBBS,** former chief executive and deputy chairman of National Westminster Bank, has died at the age of 66 after a stroke.

□ **MR WILLIAM ELGOOD,** 62, has retired as company secretary at Distillers, the scotch whisky combine facing a hostile £1.9bn takeover hid from Argyll.

□ **BRITISH AIRWAYS** will follow British Caledonian and raise its fares on many UK routes on January 6 after steep fuel bill rises.

WORLD TRADE NEWS
GLOBAL COMMENT DAILY IN THE FT

UK NEWS

ENERGY INDUSTRY PESSIMISTIC ON INCREASED COMPETITION

MPs hear gas privatisation doubts

BY DOMINIC LAWSON

LEADING FIGURES in the UK oil and gas industry yesterday told MPs that the Government's privatisation of the British Gas Corporation would not increase competition in the UK gas market.

Introducing the gas privatisation bill last week, Mr Peter Walker, the Energy Secretary, said the Government was "anxious that as e result of this legislation the potential for effective competition should be improved."

But Mr Peter Everett, managing director of Shell Exploration and Production, told members of a House of Commons committee on energy: "We do not believe that the bill will make a significant difference to the UK gas market.

"It does not alter the position that British Gas will remain the monopoly purchaser of UK North Sea gas supplies and a monopoly supplier to the UK gas market."

The bill proposes to make it easier for independent suppliers to use the British Gas network to supply industrial customers with gas.

But the oil companies believe that British Gas's access to a large hase load of cheap first generation North Sea supplies will always enhle it to undercut other companies.

"We find it difficult to believe that we can compete with British Gas in supplying industrial and domestic customers. We find it difficult to see a competitive UK market being developed."

Similar doubts were expressed by Mr David Walker, chief executive of Britoil, the UK's largest independent oil company.

The bill would have neither a negative nor e positive impact on freeing up the UK gas market. Britoil was "concerned that there is nothing in the bill on the rights of gas producers to satisfy themselves that they are getting a fair price for their gas."

Mr Tony Craven Walker, managing director of Charterhouse Petroleum, which bas a stake in the UK's largest onshore gas field, said the Government's proposals to increase supplier competition with British Gas were "a non-starter."

● The bill was described yesterday as "not encouraging," by Mr Michael Montague, chairman of the National Consumer Council (NCC). He asked Mr Walker to explain to the public why the proposed new director of gas supply was not being given a statutory duty in the Bill to "maintain and promote competition."

Tha Government is to set up a body to monitor the monopoly aspects of British Gas in the private sector. This follows the example of Oftel, which has a similar role with British Telecom.

The NCC said yesterday that Oftel, which has no regional offices, is costing £3.1m this year, but that Mr Walker is allocating only £2m a year for Ofgas, the new gas consumers council, and regional offices.

"Somebody is either deluding themselves or has not done their sums," Mr Montagu said.

● Gas prices are unlikely to rise until well into the new year, and are unlikely to go up by much more than the rate of inflation, Sir Denis Rooke, chairman of British Gas said yesterday.

"For the past 10 years we have run a planned and sustained campaign to sell the lower costs and better productivity which result from a partnersbip of an intrinsically efficient fuel and new technology."

Telecom groups 'should lead liberalisation'

TELEPHONE COMPANIES, not government regulators, should take the lead in shaping the new, liberalised world telecommunications market, Mr Iain Vallance, British Telecom's chief of operations, said yesterday, writes Nick Bunker.

Rapid technological change and new consumer needs were destabilising an old order based on monopolies, he told more than 200 delegates at the Financial Times' World Telecommunications Conference in London.

Ironically, the erosion of monopolies had been accompanied by a profusion of new and complex regulations, he said.

Examples were the complex terms for the break-up of American Telepbone and Telegraph (AT&T) imposed by a US federal judge and the intricacies of British Telecom's (BT) new operating licence.

Mr Jacques Dondoux, director general of the French Government's Telecommunications Department, said international co-operation between governments was necessary to prevent global deregulation turning into an "anarchic process."

Moves towards liberalisation of telecommunications market in the US, Britain and Japan had been like "an electric shock treatment" to state-owned telecommunications authorities (PTTs), elsewhere, he said. But unilateral policies might be damaging.

"We consider that the UK should be our full partners in a European corporation. But we often wonder whether the UK is not tempted to go it alone in order to derive a unilateral profit from its role as privileged intermediary between Europe and the North Atlantic."

FINANCIAL TIMES CONFERENCE

World Telecommunications

The allegedly slow pace of regulatory reform in Europe was sharply criticised as a harrier to trade and technical innovation by Dr Henry Ergas, principal edministrator, in the advisory unit on multi-disciplinary issues of the Organisation for Economic Co-operation and Development (OECD).

With the possible exception of the UK, there was a "reality of immobility" behind "a rbetoric of change." Dr Ergas said that a small telecommunications company starting up in Europe and trying to operate in perbaps five national markets migbt face 100 times the regulatory hurden of e similar company starting up in the US.

"The persistence of excessive regulation not only imposes costs on consumers and producers. It also creates insurmountable barriers to trade in Europe."

European PTTs were defended by Mr Helmut Schön, head of the telecommunications department of the Deutsche Bundespost.

The economies of scale and scope provided by national monopolies still allowed them to play a leading role in introducing telecommunications services such as the Integrated Services Digital Network (ISDN).

The West German PTT was watching deregulation progress in the US. However, in West Germany "in no case should we bring about conditions in which private telephone customers, rural areas and medium-sized companies would have to bear increasing costs whereas large companies would be relieved."

Dr Hisashi Shinto, president and chief executive officer of Nippon Telegrapb and Telephone Corporation (NTT), said it was facing up to new competition in its domestic market by reviewing service charges, rationalising its tariff structure and developing an information network system. It was also using technologies such as fibre optics and satellites, and entering joint ventures with companies such as IBM.

Mr Randall Tobias, chairman and chief executive officer of AT&T Communications, said there were "risks inherent in deregulation" such as customer confusion, which had occurred in the US following the break-up of AT&T. But these risks were "manageable and more than offset by the benefits."

Mr Paul Henson, chairman of United Telecommunications, of the US, said BT was already proving a "beacon of enlightened regulation through its ettempts to limit costs to consumers.

The requirement on BT to limit price increases to the retail price index less a 3 per cent productivity factor was a "simple but powerful solution" to dilemmas facing American regulators trying to safeguard the consumer in an increasingly liberalised telecommunications market.

Mr Rolf-Dieter Leister, conference chairman and an international consultant on informetion and communications technology, said in the future, telecommunications users would expect from digital telephone networks more than just a substitute for existing services.

They would also expect innovations to speed up the process linking computerised data processing with telecommunications.

Strong recovery in vehicle output at BL

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

VEHICLE OUTPUT by BL, the state-owned group, in the first nine months of this year recovered strongly from the depressed levels of 1984. All group subsidiaries contributed towards the upturn.

General Motors, the Vauxhall-Bedford group, also experienced an improvement in production in the nine months. Of the UK "big three," only Ford's vehicle output failed to make substantial gains.

BL's total vehicle output, according to Society of Motor Manufacturers and Traders statistics, improved in the nine months by 97,647 or 28.6 per cent compared with the same months of 1984.

Austin Rover made a big contribution to the overall BL performance. Its car output was up by 78,503 or nearly 28 per cent while production of car-derived vans jumped by 7,872 or 65.7 per cent after the introduction of the Maestro van this year.

Leyland Vehicles, BL's truck and bus subsidiary, showed a 42 per cent, or 3,466 vehicles, improvement over the period. Output of the new volume truck, the Roadrunner, helped to make up for a serious downturn in bus production.

New products have also helped GM. In spite of the difficulties the group has experienced in its attempts to get the new Astra up to full-capacity output at Ellesmere Port on Merseyside, the car still made a big impression on the statistics this year. GM's car output was up by 33.3 per cent or 28,611 after nine months.

The group's commercial-vehicle offshoot has had the benefit of a new light van, the Midi, which contributed to the 25 per cent increase in GM's production, giving an extra 9,234 vehicles with the same period of 1984.

In contrast, Ford's car production improved only marginally, by 1,233 or 0.5 per cent, while the group's commercial vehicle production advanced by 5 per cent or 4,152.

That was far below the general improvement in UK vehicle production. The society's figures show that in the nine months, car output was up by over 13 per cent or 93,921, while commercial vehicle production increased by 18 per cent or 31,264.

The decline in Peugeot Talbot's UK car output is partly connected with the phasing in of tha new Peugeot mid-sized car, the 309, at the Ryton, Coventry, plant and the slowing down of production that has involved. The company's contract to supply car kits to Iran has also run into difficulties again this year.

Biggest percentage increase among the producers in the nine months was chalked up by the little Reliant company which is now making a small sports car and has dropped the large Scimitar model.

UK CAR PRODUCTION
(Nine months)

	1985	1984
Austin Rover	360,345	281,842
Range Rover	9,829	8,104
Total BL	370,174	289,946
Ford	232,069	230,835
Peugeot Talbot	47,203	67,734
GM-Vauxhall	114,504	86,893
Jaguar/Daimler	28,114	24,527
Lotus	616	624
Reliant	689	82
Rolls-Royce	1,778	1,497
Others	2,138	1,917
Total	797,276	703,355

Source: Society of Motor Manufacturers and Traders.

UK COMMERCIAL VEHICLE PRODUCTION
(Nine months)

	1985	1984
Austin Rover	19,850	11,978
Land Rover	22,761	18,590
Freight Rover	14,627	12,714
Leyland Vehicles	11,669	8,203
Total BL	68,907	51,485
Ford	82,025	77,873
GM-Bedford	45,825	36,591
ERF	1,545	1,306
Foden	336	546
Hestair Dennis	609	698
Metro-Cammell-Weymann	332	373
Renault Truck Industries	3,917	3,250
Seddon Atkinson	1,303	1,274
Others	184	324
Total	204,983	173,719

Source: Society of Motor Manufacturers and Traders.

Partners named for Docklands venture

By Joan Gray

JOHN LAING Construction has set up a joint venture to develop a £300m stadium and exhibition centre in London's Royal Victoria Dock, called the Londondome.

The partners in the venture – called Laing Fox Vom – are Swab-Fox Services of Tulsa, Oklahoma, end its corporate partner, International Sports Marketing, as well as Vom (UK), part of a Dutch company that is developing a 250-acre complex with the city of Amsterdam.

The Londondome complex will be built on a 110-acre site on the north quay of the Royal Victoria Dock, two miles east of the proposed £1.5bn Canary Wharf office development in east London.

The complex will include a covered stadium, a botel, recreation centre, fitness and health club, arts centre, conference hall, high-technology factory units, workshops, shops and housing. It could create np to 5,000 jobs.

Finance for the project will involve a mixture of loan and equity finance and some funding from the companies themselves.

The estimated £300m cost of the scheme includes both construction and acquisition of the land from the London Dockland Development Corporation.

Saudi market losing allure for British companies

FINANCIAL TIMES REPORTER

LAST WEEK'S decision by the British construction companies Laing and Wimpey to pull out of Saudi Arabia highlights a big problem for the world's construction industry. The kingdom, once one of the industry's most attractive markets, has lost its lustre.

This is partly the result of falling Saudi oil revenues, but also reflects the fact that most of the large government construction projects have now been completed. The impact is not confined to UK companies.

For Korea, Saudi Arabia has been the largest single export customer. The drop in the Saudi construction market has forced at least a dozen South Korean companies out of the kingdom, and has led to some corporate collapses.

The situation of Korean groups underlines the difficulties for British companies, many of which had previously pointed to cut-price Korean competition as one of the problems in the Saudi market.

Laing and Wimpey's decision effectively to close their Saudi joint venture Laing Wimpey Alireza (shared with e local Seudi partner) was blamed largely on non-payment for work completed. Other contracting and engineering companies point out that slow payment in the Middle East is scarcely e new problem.

There may be other aspects to the Laing-Wimpey case. Observers suggest that Laing Wimpey Alireza has not been particularly successful in the kingdom since the days of King Faisal, who had a high regard for the Alireza family and arranged for the partnership to be awarded several profitable military contracts.

New civil engineering contracts by UK companies in the Gulf

	£m
1980/81	359
1981/82	607
1982/83	765
1983/84	709
1984/85	535

In the decade since his assassination, the partnership's performance has been disappointing. However, Laing Wimpey Alireza concedes that any payment problems it has at present are with small private clients rather than with the Government.

Other companies take a more philosophical view of the Saudi situation. One US engineering company says "the boom deys are clearly over, but we've kept quietly hanging on in there with small technical teams, working through budget peculiarities and making a very reasonable return. It's e question of finding creative ways of keeping the relationship going."

The engineering company Davy McKee, which has been working for four years on oil platforms for the Saudi state oil company Aramcc, says "Aramco is impeccable. You get prompt payment of that which is precisely and only due." But it has proved almost impossible to renegotiate contract terms, Davy says, and the group is not actively seeking work in the kingdom.

The Trafalgar House subsidiary Cementation came out of the Saudi market 2½ years ago. Trafalgar House says "We withdrew as e planned recognition of the reduced opportunities, partly as a result of reduced oil revenues and the country's heavy financial commitments in helping fund the Iraq war. But also, you can't go on creating an infrastructure for 5m people for ever. Laing and Wimpey's decision to pull out came as no surprise to us."

Large spending by the Saudi Government has mainly switched from construction to defence. In September, British Aerospace was awarded a contract worth between £3bn and £4bn to supply Tornado bombers and fighters together with training aircraft.

The contract was arranged at government level, with e memorandum of understanding being signed by the UK and Saudi defence ministers. "There is no parallel between e government-to-government contract of this kind and the Laing-Wimpey experience," British Aerospace said.

King voices regret for remarks on future of Ulster

BY IVOR OWEN

MR TOM KING, the Northern Ireland Secretary, expressed regret in the House of Commons yesterday for giving the impression that Dr Garret FitzGerald, Prime Minister of the Irish Republic, shared his view that Northern Ireland would always remain part of the United Kingdom.

Ulster Unionist MPs roared with laughter as the increasingly embarrassed minister was alternately praised and condemned. Tory critics of the new Anglo-Irish agreement praised him for making it clear that it does nothing to further the aspirations of those who want to see the reunification of Ireland; Labour MPs attacked him for creating fresh difficulties for Dr FitzGerald.

Mr King, who plunged into the deepest trouble he has so far experienced in his political career in a lunchtime speech in Brussels on Tuesday, held firmly to his view that as both parties to the agreement accept that any change in the status of Northern Ireland can only come about by the consent of the majority of the population "such a change would not occur".

He admitted that in expressing this view he had indicated that he considered it to be shared by Dr FitzGerald.

Mr King stressed: "I, of course, accept that this is not the case, and I regret that my words should have given that impression".

Mr Peter Archer, Labour's chief spokesman on Northern Ireland, called for clarification of the two governments' position on the provision in the agreement which committed them to supporting any decision by the majority in the province.

He asked if this provision had been intended to be "totally artificial and unrealistic" and stressed thet Labour had supported the agreement in the belief that it left open the possibility of reunification.

Mr Julian Amery, Conservative, who voted against the agreement last week, congratulated Mr King and urged him to "stick firmly" to the views be bad expressed.

Mr Roy Mason, a former Labour Northern Ireland Secretary, who supported the agreement in last-week's debate angrily protested that Mr King's speech in Brussels had shattered it "before the ink was dry". He said: "You have let us down."

Mr King reaffirmed thet the government stood by the accord and would seek to implement it in co-operation with Dublin

BASE LENDING RATES

Allied Dunbar & Co.	11½%	■ Guinness Mahon	11½%
Allied Irish Bank	11½%	■ Hambros Bank	11½%
American Express Bk.	11½%	Heritable & Gen. Trust	11½%
Henry Ansbacher	11½%	■ Hill Samuel	§11½%
ABN Bank	11½%	C. Hoare & Co.	11½%
Amro Bank	11½%	Hongkong & Shanghai	11½%
Associeles Cap. Corp.	12 %	Johnson Matthey Bkrs.	11½%
Banco de Bilbao	11½%	Knowsley & Co. Ltd.	12 %
Bank Hapoalim	11½%	Lloyds Bank	11½%
Bank Leumi (UK)	11½%	Edward Manson & Co.	12½%
BCCI	11½%	Meghraj & Sons Ltd.	11½%
Bank of Ireland	11½%	Midland Bank	11½%
Bank of Cyprus	11½%	■ Morgan Grenfell	11½%
Bank of India	11½%	Mount Credit Corp. Ltd.	11½%
Bank of Scotland	11½%	National Bk. of Kuwait	11½%
Banque Belga Ltd.	11½%	Nationel Giro Bank	11½%
Barclays Bank	11½%	National Westminsler	11½%
Beneficial Trust Lld.	12½%	Northern Bank Ltd.	11½%
Brit. Bank of Mid East	11½%	Norwich Gen. Trust	11½%
■ Brown Shipley	11½%	People's Trust	12½%
CL Bank Nederland	11½%	PK Finans. Intl. (UK)	12 %
Canada Permanent	11½%	Provincial Trust Ltd.	12½%
Cayzer Ltd.	11½%	R. Raphael & Sons	11½%
Cedar Holdings	12 %	Roxburghe Guarantee	12 %
■ Charterhouse Japhet	11½%	Royal Bank of Scotland	11½%
Citibank NA	11½%	Royal Trust Co. Canada	11½%
Citibank Savings	¶12½%	Standard Chartered	‖11½%
City Merchants Bank	11½%	TCB	11½%
Clydesdale Bank	11½%	Trustee Savings Bank	11½%
C. E. Coales & Co. Ltd.	12 %	United Bank of Kuwait	11½%
Comm. Bk. N. East	11½%	United Mizrahi Bank	11½%
Consolidated Credits	11½%	Westpac Banking Corp.	11½%
Continental Trust Ltd.	11½%	Whiteaway Laidlaw	12 %
Co-operative Bank	*11½%	Yorkshire Bank	11½%
The Cyprus Popular Bk.	11½%		
Duncan Lawrie	11½%		
E. T. Trust	12 %		
Exeter Trust Ltd.	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	12½%		
First Nat. Sec. Ltd.	12½%		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptrs.	12½%		
Grindlays Bank	†11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.00%. 1-month 8.50%. Top Tier—£2,500+ at 3 months notice 11.25%. At call when £10,000+ remains deposited.
† Call deposits £1,000 and over 8.00% gross.
‖ 21-day deposits over £1,000 9.25%.
¶ Mortgage base rate.
§ Demand dep. 8%. Mortgage 13%.

UK NEWS

Fears over food and drink takeovers

By David Thomas

PROFESSOR Raymond Thomas, chairmen of the Food and Drink Manufacturing Economic Development Committee (EDC), is to write to the Office of Fair Trading (OFT) expressing concern about the spate of takeover proposals and rumours in the food and drinks industry.

The EDC is responsible for monitoring and reporting the food and drink industry within the National Economic Developmeot Council – a forum made up of union, employer and Government representatives.

Mr Robert Smith, a member of the EDC and national officer of the General, Municipal and Boilermakers Union, has already written to the OFT urging it to refer to the Monopolies and Mergers Commission the bid by Elders IXL, the Australian brewing, agricultural and trading group, for Allied-Lyons, the UK food and drinks conglomerate.

The union's main concern is about the job losses which might follow any merger. Mr Smith also raised worries about other mergers under way or outstanding in the sector, such as the agreed bid by Imperial Group for United Biscuits, and the bid by Argyll for Distillers.

Mr Smith met Professor Thomas yesterday and it is understood that Prof Thomas's letter will raise some of these concerns. The decision by the OFT on whether to refer the Elders IXL bid to the commissioo is expected shortly.

Midlands 'superpit' sites named by coal board

BY MAURICE SAMUELSON

THE NATIONAL Coal Board (NCB) yesterday braced itself for a protracted battle with the eovironmental lobby by naming its two preferred sites for its new £440m "superpit."

Out of a list of eight possible sites, its consultants have narrowed the search down to Hawkhurst Moor Farm, adjacent to the western outskirts of Coventry, and South Hurst Farm, in agricultural land between Coventry and Kenilworth, both in the Midlands of England.

The pit, the latest in a series of capital intensive high-volume mining projects by the NCB, is designed to exploit 165m tonnes out of the 400m tonnes of recoverable reserves in the rich South Warwickshire coalfield.

The coal, suitable for industry as well as power stations, will be extracted over 50 years at a rate of 3m tonnes a year, making it Britain's biggest single mine in terms of production.

When it announced its plans seven months ago, the board stressed its anxiety to avoid the damaging confrontation which it suffered with environmentalists over its earlier plans to exploit the coal lying under the Vale of Belvoir, in Leicestershire.

For that reason it initially invited local authorities and other interests to join it in seeking suitable sites for the mine, over an area of 14 sq km, with a view to announcing the preferred location before the end of the year.

The local authorities provided specialist assistance to the NCB but they were not a party to the selection of the two remaining potential sites.

In the event, two sites have emerged from these discussions, rather than the single one originally expected. Naming its two proposed locations, the NCB said that more detailed analysis was oeeded because of the potential impact and the importance of the planned development.

This was now being carried out by a specialist consultancy with e view to a single choice being made and a request for planning permission being made next year.

Once permission is received, some 700 people would be employed during the construction of the mine, building up to 1,800 when it entered full productioo in 11 years' time.

High-tech study may shift emphasis

BY PETER MARSH

THE GOVERNMENT is to appoint e committee of electronics specialists to consider what will follow the Alvey programme, Britain's £350m project in collaborative computing research which is due to commit all its existing funds by early next year.

Mr Geoffrey Pattie, Minister for Information Technology, has refused to outline any details of the Government's thinking on a follow-up to Alvey, which is supporting 150 individual projects in areas such as software engineering and chip design.

Eighty-five companies are working on these schemes, normally in partnership with other commercial concerns or universities. The Government is contributing £200m to the programme, with industry putting up the rest.

Mr Pattie hinted, however, that whatever followed Alvey would do more to address the European dimension to computing research. It would fit in with other pan-European research schemes already in operation, such as the Esprit project in informetioo technology supported by the European Commission and Eureka, a project still under discussion backed by 18 West European countries.

Observers in the computer industry feel that an "Alvey II" programme should emphasise applications-oriented work, rather than basic research.

The Alvey project, started 2½ years ago by Mr Kenneth Baker, Mr Pattie's predecessor as information-technology minister, backs precompetitive work in computing and electronics which is not linked to specific commercial products.

Capital controls on UK multinationals opposed by report

BY CHRISTOPHER LORENZ, MANAGEMENT EDITOR

BRITISH-based multinational companies have been alone among their international counterparts in reducing domestic employment since the early 1970s while creating jobs abroad. But the overall balance of payments effect of foreign investment by UK multinationals has been positive, and any reintroduction of capital controls would be counter-productive.

These are the main conclusions of a wide-ranging study, Britain and the Multinationals, published yesterday. The report, by Professor John Stopford and Mr Louis Turner of the London Business School, warns that in spite of their overseas investmeot drive, most UK multinationals are still relatively weak in international terms.

In attacks the Government for giving what it sees as inadequate priority to creating the sort of educational and research infrastructure that industry needs to become more competitive.

Between 1972 and 1983, says the study, 58 leading UK manufacturing multinationals cut domestic employment by over 600,000 – nearly a third of all manufacturing jobs lost – while adding about 200,000 jobs abroad.

The companies' own explanation of this, says the report, is that they were merely following a logical strategy "by reducing their exposure to the chronic problems of Britain's manufacturing sector."

They respond by pointing to the fact that "domestic UK companies (ones without significant overseas investments) have destroyed jobs just as fast as British multinationals over the period as a whole – more fiercely in the 1970s, less so betweeo 1981 and 1983, when multinationals contracted faster.

The report argues that the drive by British multinationals to develop a greater global presence, and to improve international competitiveoess, has been necessary. But it suggests that some companies might have responded too eagerly to overseas investment opportunities while neglecting those at home.

"It is all very well being in the vanguard of the move towards a global economy, but if that leaves the less mobile core of the British economy vulnerable and deserted, such managers can expect to arouse some hostility."

Exporting, as well as foreign investment, can still be a viable route to international competitiveness for manufacturers, the report says.

Although overseas investment by multinatiooals has had a positive effect oo the UK balance of payments by generating investment income and UK exports, the effects "would be much more positive were they to be based on stronger positions in the growth sectors of manufacturing."

Too little of Britain's overseas investments in manufacturing are in the high-technology sectors "that will provide much of tomorrow's growth in wealth-creation."

The report rejects the idea of curbing multinatiooals' overseas investments by what it calls "isolationist socialism", and argues that such "dreams ... are probably dead unless the governmeot concerned is willing to live with an investment strike on the part of a large section of the multinational community, including many officially British companies."

The study concludes that in spite of fears about the development of a "branch plant economy," inward investment by foreign companies is having a positive effect on the UK.

Britain and the Multinationals, published by John Wiley, £12.75.

Scope for fifth TV channel to be studied

By Raymond Snoddy

PROFESSOR Alan Peacock, chairman of the committee looking at alternative methods of financing the BBC, intends to commission independent research into whether there are enough frequencies available to expand television in the UK.

The committee plans to investigate the technical feasibility of creating a fifth UK television channel and local city televisioo stations.

Prof Peacock recently visited Italy and was impressed by the number of television stations there. In recent years hundreds of stations have sprung up, most of them local.

"We are bound to ask the question of the engineers why it seems to be possible to have such a large number of stations in countries like Italy and Japan and not have them in this country," Prof Peacock said.

He believes the committee should examine the issue because financing is linked to the oumber of channels available in Britain.

In Italy a free-for-all on frequencies had existed and occasionally there had been "shoot-outs" for freqoeocies. "We don't want that sort of thing to happen," Prof Peacock said.

The committee intends to "take the best advice we can" – on what is possible. This will include examining the feasibility of low-power city television stations and the technical possibility of creating a fifth national network.

"One suspects that it is a trade-off between more channels and the technical performance."

The committee has heard submissions arguing that transmission of programmes in the UK should be handled by a national transmitter bureau or else put out to private tender.

Critics believe unnecessary duplicatioo exists in the present system, where the Independeot Broadcasting Authority is responsible for commercial channels transmitters and the BBC for BBC channels, usually from common transmitter sites.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engioeering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemploymeot (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1984							
4th qtr.	103.5	101.3	105	112.7	164.0	3,103	153.9
1985							
1st qtr.	106.0	102.7	104	113.3	133.9	3,138	153.6
2nd qtr.	108.3	103.5	108	115.0	141.4	3,174	161.7
3rd qtr.	107.9	103.0		116.4	145.2	3,179	164.4
February	105.2	102.3	109	112.7	130.2	3,144	153.1
March	107.1	103.5	103	113.9	136.5	3,147	156.1
April	108.1	103.3	100	113.5	140.3	3,176	161.0
May	108.4	102.7	108	115.3	142.0	3,177	160.7
Juoe	108.3	104.5	116	116.0	141.8	3,169	163.4
July	107.2	102.4	100	116.0	146.9	3,175	163.0
August	107.5	103.4	107	117.5	145.4	3,183	162.9
September	109.1	103.2		115.9	143.7	3,179	167.3
October				114.1	149.7	3,175	172.6

OUTPUT—By market sector; consumer goods, investmeot goods, intermediate goods (materials and fuels); eogineering output, metal manufacture, textiles, leather and clothiog (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1984							
3rd qtr.	102.1	97.4	104.8	100.2	109.5	98.1	16.2
4th qtr.	102.5	98.6	106.2	100.0	106.0	99.3	13.3
1985							
1st qtr.	102.7	102.1	109.2	103.1	111.0	99.0	13.8
2od qtr.	102.2	103.5	113.4	104.4	119.6	99.0	18.6
3rd qtr.	102.8	102.8	112.9	103.5	119.2	101.9	17.4
Marcb	103.0	103.9	110.4	104.0	114.0	100.0	16.6
April	101.9	103.1	113.4	104.0	118.0	99.0	17.9
May	101.3	102.9	114.3	104.0	120.0	98.0	19.9
June	103.5	104.5	112.4	105.0	121.0	101.0	17.9
July	101.7	101.9	112.2	102.0	120.0	100.0	18.4
August	103.5	103.0	111.8	104.0	121.0	103.0	15.5
September	103.1	103.4	114.6	104.0	117.0	103.0	18.4

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balaoce; curreot balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balence	Current balance	Oil balance	Terms trade	Resv. US$bn*
1984							
4th qtr.	119.7	129.1	−1,313	+424	+1,468	96.6	15.52
1985							
1st qtr.	120.5	128.5	−1,283	−535	+1,863	96.5	13.53
2nd qtr.	120.6	126.0	−222	+1,183	+2,368	98.2	14.32
3rd qtr.	115.0	123.1	−150	+250	+2,042	100.6	14.18
February	123.6	127.5	−241	− 12	+675	96.2	15.35
March	119.6	136.8	−977	−704	+260	96.5	13.53
April	121.8	130.2	−259	+210	+687	97.3	14.03
May	121.7	121.0	+252	+721	+838	98.3	13.98
Juoe	118.4	126.9	−218	+252	+843	99.1	14.32
July	117.0	123.0	− 77	+323	+663	99.4	14.26
August	113.4	123.3	−236	+164	+626	101.3	14.26
September	114.6	124.7	−230	+170	+644	101.1	14.18
October	119.1	125.7	0	+400	+760	101.2	16.31
November							15.98

FINANCIAL—Money supply M0, M1 aod sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); bulldiog aocieties' net inflow; HP, new credit; all seasooally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS ioflow £m	HP lending £m	Base rate %
1984							
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,946	9.63
1985							
1st qtr.	2.2	0.7	9.1	15.2	1,511	3,146	13.50
2nd qtr.	5.1	32.4	20.4	19.2	1,523	3,064	12.50
3rd qtr.	5.5	15.4	11.6	17.5	1,771	3,380	11.50
February	3.1	− 5.0	4.6	13.3	474	1,013	14.00
March	− 1.3	− 1.2	9.2	16.0	214	965	13.50
April	5.4	22.2	18.8	19.5	507	1,061	12.63
May	4.2	33.2	18.4	17.7	615	1,042	12.63
June	5.7	44.8	25.1	20.2	401	961	12.50
July	4.4	19.1	8.3	16.8	650	1,129	11.50
August	2.4	22.9	14.4	21.8	524	1,126	11.50
September	1.1	5.2	12.3	14.1	597	1,125	11.50
October	− 1.5	24.9	19.4	18.7	796	1,147	11.50
November							11.50

INFLATION—Iodices of earniogs (Jao 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1984							
4th qtr.	164.1	140.1	184.3	358.3	326.8	289.64	74.1
1985							
1st qtr.	165.4	146.2	136.6	362.9	332.8	295.22	72.0
2od qtr.	170.3	138.8	139.4	375.3	339.4	278.13	78.9
3rd qtr.		133.2	140.1	378.3	335.5	251.12	82.2
February	164.6	147.8	136.6	382.7	332.5	295.73	71.3
March	168.1	145.5	137.5	366.1	335.4	295.22	73.3
April	169.4	140.8	139.2	373.9	338.8	295.08	78.0
May	169.4	138.8	139.5	375.6	339.3	279.98	78.7
June	171.9	136.7	139.8	376.4	340.1	278.13	79.9
July	173.7	133.9	139.9	375.7	335.3	259.51	83.6
August	173.4	132.8	140.1	376.7	335.3	254.34	81.6
September	176.0	132.8	140.4	376.5	335.8	251.12	81.4
October		131.5	140.8	377.1	335.5	249.46	80.4
November							80.0

* Not seasonally adjusted.

TECHNOLOGY

EDITED BY ALAN CANE

Alan Cane reports on a sophisticated component hardening technique that promises substantial savings

Heat treatment drops back-room image

ORDERS ARE being signed in the US for equipment which makes possible a sophisticated technique for hardening the surface of steel components such as gears and cold stamping diea. It promises substantial savings by halving processing times, eliminating post-treatment machining and improved product quality.

Automobile and aerospace manuafcturers, both of wbich use extensively sucb hardened steel components as gears, shafts and cams, are in the vanguard nf compantes looking enthusiastically at the technique.

It is called plasma carburising and it involves enriching the surface of the component with carbon using a hydrocarbon source sucb as methane or propane in the form of a "plasma," a hot, fully ionised gas. Conventional carburiaing involves bot gas or a bot salt bath, both environmentally fairly objectionable.

Tho equipment for plasma carburising comprisea a large vacuum furnace complete with automated and built-in equipment for "quenching" (cooling in an oil bath) the steel components after treatment.

Three companies world-wide are making tho running in plasma carburising. Abar Ipsen International is now believed to be tbe largest manufacturer of beat treatment and surface treatment equipment in the world.

It was formed last March through the merger nf Ipsen Industries International and Abar Industries, a subsidiary of the TI group. It is owned 50 : 50 by TI and Alco Standard of the US. TI has the option to buy outright in three years time.

The principal competition is Surface Combustion, of the US and Ulvac of Japan.

So far, only Surface Combustion and AII see mto have sold plasma carburising vacuum furnaces and neitber has yet installed and commissioned their new equipment. So they are both being coy about the identities of their first customers.

Plasma carburising itself is not new. The general principles havo ben known for seven or eight years. Wbat bas been lacking, said Dr Michael Jacobs, AII technical director, has been the ability to carburise large work loads — up to say, 350 kg —coutinely in a reliable fashion.

There is a further advantage inberent in plasma carburising technology which gives it the edge over existing techniques such as pack, salt-bath or gas carburising; it takes place in a sealed cbamber, and so is environmentally acceptable.

This is exciting the aerospace companies who envisage setting up manufacturing cells with the surface processing furnaces in situ.

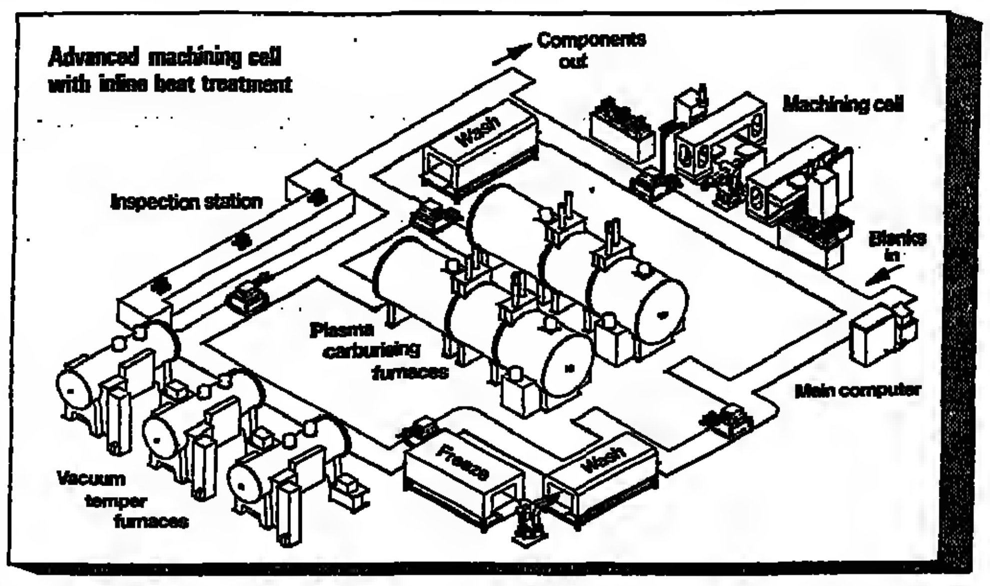
Dr Jacobs says: "Heat treatment is now shaking off its tradltional image as a back-room activity. For the first time, new heat treatment equipment and processes can be integrated in-line, perhaps as part of a flexible manufacturing cell."

AII has been running a plasma carburising furnace on a demoostration basis at TI's research laboratories, Hinxton Hall near Saffron Walden, Essex, for more than a year and Dr Jacobs is convinced that tbe technology is now mature enough to be moved out of the development laboratory and Into the market.

He believes AII has a technological edge on its competitors in two areas.

The design of the "hot" zono of the vacuum furnace gives temperature uniformity and thermal efficiency.

Using a method called pulsed power supply to provide energy to the furnace eliminates arcing between the electrodes and the work pieces. This auppresses "bollow cathode" discharge wbich is the bane of gas plasma work for higb intensity plasma can form in cavities and cause local overheating effectively destroying the value of the workpiece.



Pulsed power supply was developed by the French company Vide et Traitement of Neuilly en Thelle which has ben collaborating with AII in developing carburising furnace development.

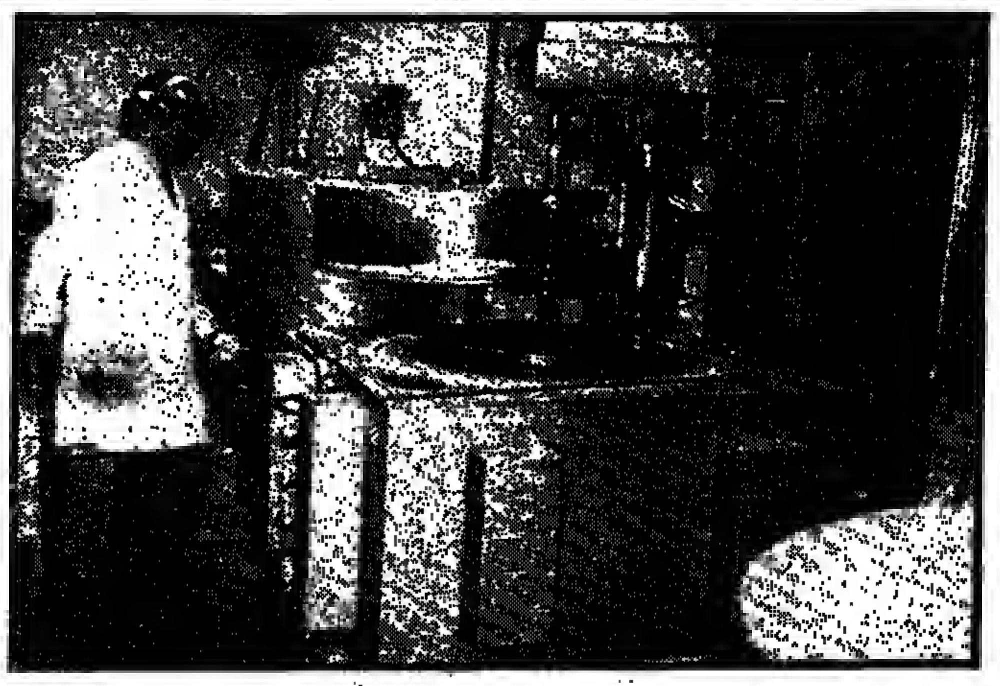
Where straightford direct current is used, AII says, arcing can melt the workpiece and the danger of hollow cathode discharge limits are size and shape of load which can be treated.

The Vide et Traitement tecbnique supplies direct current to the furnace at 1,000 pulses a second.

Dr Jacoba claims the advantages are:

- Fifty per cent or more reduction in processing time.
- Accurate computerised control ensuring predictable surface bardness and depth of casing.
- Better fatigue properties.
- Redueed distortion.
- Little or no post treatment machining.
- Lower gas and energy consumption.
- No enviconmental pollution.

Depending on size, a plasma carburising furnace can cost £250,000 to £500,000, more expensive than convential furnaces but where process control and product qnality are critical, the plasma route now seems infinitely superior.



Camlaw's first Toyota Diffusion salt bath furnace at British Heat Treatments

High-tech approach pays dividends

THERE ARE two distinct markets for beat treatment furnaces.

Compantes such as Abar Ipsen specialise in vacuum furnaees; others—Camlaw of Tamworth in Staffordshire is a good exampte — specialise ebtefly in furnaces which are open to the atmospbere or where special gas mixtures are used tu protect the heating elements.

Camlaw, a comparatively small company with a turnaver in the region of £2.5m, is in competition with such companies as Wellman Furnaces and Wild Barfield in conventional beat treatment devices, as well as FHD and the West German company Degussa in special high temperature furnaces. It is putting considerable emphasis on new technology to maintain a competitivo edge.

Its high-tech approach seems to be paying dividends. It has been specified by British Heat Treatments, a leading UK based contract beat treatment shop, to manufactnre tbe furnaees required for the Toyota Diffusion process, a technique for hardening the surface of tool and die steel that BHT has licensed from Toyota.

Camlaw has built tha first TD salt bath furnaee and supporting equipment to be manufaetured In the UK. It has been installed in BHT's tribology division to treat tools and components and to demonstratc the process and furnace technology which the two companies can make available.

Tho TD process Is used to coat the surface of steel components, tools and dies with vanadium carbide, niobium carbide or chromium carbide. It involves immersing the work pieces in a bath of molten borax to which the coating metals havo been added.

They react with carbon in the surface nf the steel to form their respective carbides. Steels so treated show excellent resistance to wear, seizure, corrosion and oxidation. The Japanese have used the process to increase tha nperating life of tools and dies in metal stamping, bot and cold forging, wire and tube drawing, powder compacting and metal castings.

The TD furnace is an example af Camlaw's skills at developing special devices. But tts traditional range nf furnaces are similarly innovative. Mr Malcolm McQuirk, Camlaw's managing director, says the company is incorporating new technology in its prodncts in three principal areas.

It is making powerful use of microprocessors in the furnace control systems, which means that the processing cycle can be significantly automated, giving greater reliability and reproducibility.

Its furnaces are becoming smaller and lighter through the use of new insulating materials.

It uses ceramic fibres to keep in the heat compacted into insulating blocks in a process called stack bonding.

The company has developed special heating elements for its high temperature furnaees based on molybdenum. Conventional furnaces use nickel-chromium elements, but these melt at the 1,600-1,700 deg C temperatures necessary for many industrial heat treatment processes.

Camlaw's elements are called bunched molybdenum wire and they have pcoved so successful that competitors are now releasing their own versions.

These elements have to be protected by enveloping them in a special gas mixture.

Camlaw sells its beat treatment equipment to most of the leading metal working companies—automobile manufacturers, aerospace companies, tho nuclear industry and the like. Its furnaces cost from £20,000 to £150,000; they are pre-wired, pre-piped and pre-tested with integral panels.

Fibre-optic motion sensor

HERGA ELECTRIC of Bury St Edmunds, mainly known for air operated and vacuum switching systems, has developed a motion sensor based on fibre-optic technotogy.

The sensor is based on tbe fact that if an optical fibre is bent through a sufficiently small radius, some rays of light, instead of following the fibre, escape from tts onter surface.

Herga has surrounded tbe fibre with a polymer spiral which wben compressed laterally anywbere along its length, indnces a number of "microbends" spaced by the spiral pitch. These can have the effect of preventing any of the light reaching the far end of the fibre, allowing the system to act as a switch.

The company says a near linear relationship exists between light blocking and compression, allowing measurements to be made.

An early application has been in sensing contact with the bumpers on the Babcock Fata automatic guided vehicle. The company is also experimenting with a safety mat to keep operators away from dangerous machino areas.

More on 0284 701422.

Optical disk drive available

A COMPACT optical disk drive made by the US company Infarmation Storage is to be distribnted in the UK by CPU Peripherals of Woking, Surrey.

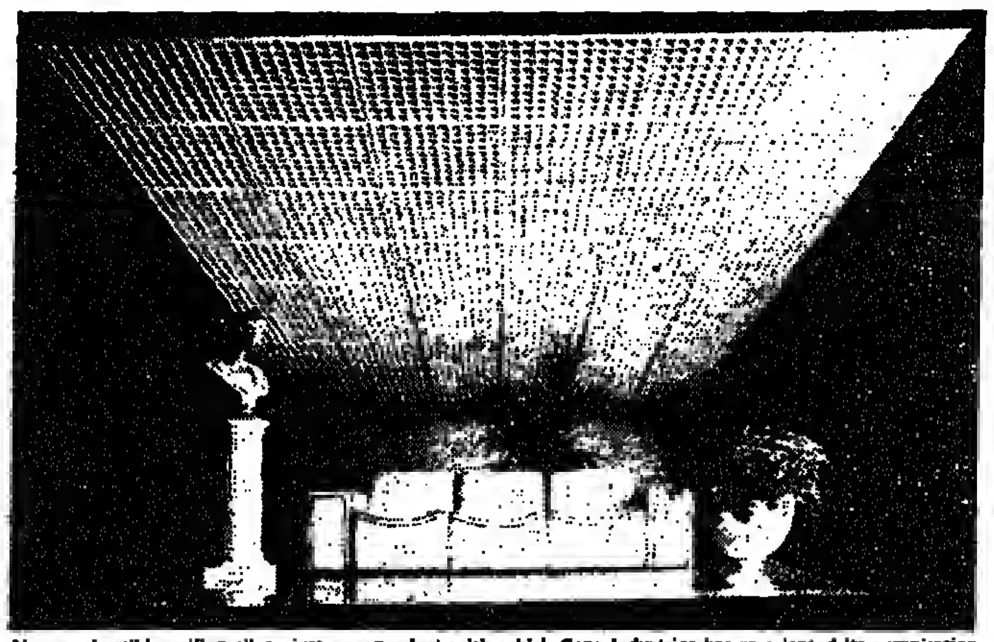
CPU is among tbe first to offer 5¼in optical drives. Philips is also now making its drive generally available after supplying it privately.

The ISI drive, model 525WC, provides 100 megabytes of non-erasible storage and can transfer data at 2.5 megabits a second, with an average access time of less than a fifth of a second.

More on 04862 73883.

THE MANAGEMENT PAGE: Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ



Non-combustible ceiling tiles—just one product with which Cape Industries has re-oriented its organisation to strengthen its marketing

The aftermath of asbestos

Joan Gray explains how Cape had to become an active seller of its replacement products when its staple commodity was proved unsafe

PHRASES such as "the dark night of the soul" do not often spring to a company director's lips.

But that is precisely how David Llewellyn, finance director of Cape Industries, describes the time when, in the culmination of his company's struggle to escape from its dependence on asbestos, he realised he was going to have to report to his shareholders that their funds—at £22m—stood at only just over half the company's debts of £42m.

That was in March this year, and the figures have improved since. Yesterday Cape Industries reported that its shareholders' funds now stand at £33m compared with a debt of £18m, with a trading profit of £2.75m.

The change has been achieved not only by finding substitutes for the asbestos which once accounted for 100 per cent of Cape Industries' output, but also by becoming much more marketing oriented.

"Now we're dealing with specific products, not just a commodity, we have to cultivate a reputation and brand loyalty. We have to convince our distributors they've picked the right supplier because they are the butter on our bread," says Cape boards' chairman, Tom McKain.

"Asbestos was an old product which everyone knew how to manufacture and where there was little difference between Joe's and Bill's. So the big lesson we had to learn was how to convince customers that we had the right replacement product, and that we had produced a better type of mousetrap.

The problems of asbestos were highlighted most dramatically in a UK television programme in 1978. This showed horrifying sequences of workers suffering from the disabling lung disease asbestosis and contributed to a widespread public campaign to get rid of asbestos.

The company was already only too well aware of the problem. It had been searching for an acceptable substitute for asbestos since 1970; by 1978 it had a replacement on the market and started phasing out asbestos from its factories.

In the company's five-year search for a replacement for asbestos — which McKain and Llewellyn still describe wistfully as a "wonder fibre" — it evaluated "just about every fibre that existed", including straw, cotton, carbon, glass, synthetics, plastic and metallic fibres, rayon, and cellulose.

It found there was no one fibre that would provide an answer, and ended up with a cocktail of cellulose, mica, and vermiculate in a base of calcium silicate. This gave a material which combined the fire resistant qualities of asbestos with strength.

The new mixture also fulfilled another important criterion, explains Cape Board's managing director, John Alexander. "It promised a product that would provide a new, marketable material, not just an inferior substitute."

And marketing the new material has been, as McKain puts it, "very interesting because it highlighted all sorts of issues."

From selling a standard commodity product, the company for the first time had to "look at the market very carefully to find out exactly what it was and what new products were needed to meet the requirements," he explains.

As a result, "we found many other niches and potential applications provided we varied the basic product. So in fact the move out of asbestos helped us expand because we had to look at the market very carefully and formulate a wider range."

The company now has three main non-asbestos product lines: the first is a heavy-duty fire-resistant board, named Supalux, because, says McKain, "we were trying to convince our customers that it was even better than our Asbestolux board which had 75 per cent of its market."

Supalux now has 80 per cent of its market, for specialist fire protection boards, and sales worth £24m a year compared with Asbestolux's peak of £8.25m in 1976.

The second principal non-asbestos product line is a lighter weight board called *Masterboard*, introduced to meet the new market Cape discovered for a general purpose board for ceilings, eaves, partition walling and weatherboarding.

It also produces a cladding board called Masterclad and a non-asbestos corrugated cladding called Unicem.

The search for the substitutes was expensive — £1m for research, £6m for development and pilot production, and £17m for new production plant — and has had to be covered by expansion into new export markets.

"From the size of the investment we made we had to have a bigger market than the UK, and so have set up permanent marketing companies in West Germany, France and the Netherlands to try to boost our exports to 40 per cent of Cape Boards' turnover," says McKain.

Exports of the new boards are now worth £10m a year — 30 per cent of Cape Boards' output — compared with an irregular 10 per cent of exports worth £1.5m a year in the company's asbestos board days.

The company is also licensing its non-asbestos technology to overseas manufacturers—such as the Norwegian Norcen, French St Gobain, West German Fulgurit and Saudi Arabian Amianit and is "serenading others."

A feature of the transition to non-asbestos products which McKain still finds surprising—and is a very live issue in the marketing of his newest range of corrugated non-asbestos—was the customers' reluctance to change from a product they knew was hazardous.

"In the late 1970s, we had the contrast between an alarmed public and the man who had used asbestos for years, like his father before him, and saw no reason to change," he says.

"So we offered a choice of asbestos-free and asbestos products and tried to persuade them to change over. We moved quickly to 30 per cent of the market using non-asbestos products, by 1977, and then rose to 50 per cent by 1979.

"And then we could still be there today because the users were happy with asbestos. So we withdrew our asbestos boards from the market to force them to change."

The pattern is now being repeated with Cape's only remaining asbestos product—corrugated cladding, widely used in farm buildings. Cape Boards has a substitute on the market—Unicem—but it is 10 per cent more expensive and users are proving reluctant to change.

And whereas before Cape could withdraw its asbestos board because it led the market with a substitute, "now we cannot afford to ban it because we would only open the door for imports," says McKain.

It is campaigning vigorously to get a complete ban on asbestos products and is, as McKain puts it, "only marketing Unicem although we still sell the other."

But until asbestos products are banned totally in the UK, the company has decided — reluctantly—that it will have to continue making corrugated asbestos as well as corrugated non-asbestos rather than risk losing sales.

The ratio of corrugated asbestos to non-asbestos is currently 70:30 per cent of production. Union representative, Frank O'Donnell, Transport and General Workers' convener, defends the continued production of a known hazardous substance, but stresses management's preoccupation with health and safety, while bearing in mind a responsibility "to those people who would be slung on the dole if asbestos production was just stopped."

The move away from asbestos has also forced Cape to concentrate on its core market as a building materials producer after a run of unsuccessful attempts at diversification which contributed to the disastrous figures announced in March.

Contributing to these losses were £25m from the disposal of the insulation company Cape Industries bought when home insulation was a fashionable market in the late 1970s—£5m from the disposal of its brake-lining business, a venture rendered unsuccessful by overcapacity in the car components industry, and £2m from closing its metal cladding business, the result of another diversification attempt.

This compares with a £7.2m profit for Cape Building Products for the 15 months to March 1985, followed by the £3.1m profit for the half year revealed yesterday, and a £0.6m profit for the half year from Cape's industrial contracting division which specialises in building work involving installing its products.

As McKain puts it, a touch colourfully, "we had to dispose of the businesses that were bleeding us to death, and now we are concentrating on our strengths."

Mergers

Facing up to conflicts

Feona McEwan on the repercussions for the advertising industry

THE repercussions of the current spate of mergers is proving to be something of a mixed blessing. On the one hand it has generated new business—which can never be scoffed at—while on the other, mergers often mean client fallout, with business walking out of the door when rival brands suddenly find themselves in the remit of the same ad agency.

As merger fever shows little sign of abating, the problem of account conflict can only become more central with agencies and clients being forced to re-examine their approach to this sticky problem. Current attitudes indicate extremes of view. Clients, particularly the large American consumer giants, take a hard line attitude. In contrast, some agency chiefs argue that something has to give because the options are narrowing, and that the concentration of talent into fewer and larger agencies will force clients to relax their views.

Examples of account fallout—whether as a result of client or of agency mergers—litter the marketing press every week. When D'Arcy MacManus & Masius merged with Benton & Bowles earlier this year in the biggest industry union of its kind, the conflict problems were substantial.

B & B ended up resigning Spillers and United Biscuits because of Masius's Pedigree Petfoods and Mars. Masius lost Brooke Bond Oxo's Red Mountain coffee because of B & B's Maxwell House.

The fallout can ricochet round the world. On the global front, B & B had to resign Texaco in the US because of Masius' Amoco business. One of Masius's major US clients, Anheuser-Busch forced the resignation of B & B's sizeable Stroh beer account.

Account conflict is a peculiarly British and American phenomenon. In Japan, by contrast, where the main agency, Dentsu, handles the bulk of all advertising, the problem is negligible. Car accounts and oil companies that slug it out mercilessly in the marketplace park happily inside the same marketing machine.

Similarly unaffected in the UK are professions—accountants, solicitors, design consultancies—which happily accommodate rival companies without question. Indeed, the more clients they have in a sector the more they can attract, on the grounds of proven expertise.

He says: "Are you the Smith from Global Motors, Acme Motors or Super Duper Motors ?"

However, advertisers, in the consumer products field in particular, do not like conflicts. And while there are no rules, it is the client's prerogative to call the shots. American companies have a reputation for being highly sensitive and uncompromising in this area, with cigarette, alcohol and car producers also notoriously conflict-conscious. One automotive manufacturer tells it straight: "If an agency wants to bid for our business and they hold another car account, they won't stand a chance until they drop that account. Even a minor facelift to a model can cost £500m, and a new model up to £4bn. When you're talking that sort of money you can't afford the security risk."

Fast-moving consumer goods giants like Procter & Gamble, Unilever and Gillette also know exactly what they will and will not accept from their agencies on their core business. Gillette, for instance, insists any agency handling its blade business (electric or wetshave) may not handle related business anywhere in the world. Some clients have even been known to write into their contracts an option to "raid" agency offices at any time.

Ken Fraser, Unilever's head of marketing, explains: "We believe in being very close to our agencies; we offer them access to information including close integration on strategic planning, which we would not be happy to share with our competitors. But we take a pragmatic view," he goes on, "and if they wished to accept business in an area where we had no direct brand conflict we would look at the situation on its merits and decide."

Agencies argue vehemently that "the Chinese wall" security system is viable, that one acount group is quite capable of acting dumb and blind to another's business. Client - turned - agency - chief Jerry Shiveley, chairman of McCanns (who comes from the account-sensitive US), feels clients tend to exaggerate the problems.

In general, however, agencies are respected by their clients as being competent on the security front. "There are quite watertight groups within agencies," says Fraser.

Saatchi is regarded in the industry as handling potential conflict better than most. It is at pains to insist that its companies run autonomously though you will rarely find them pitching for new business against each other. Its skill in calming clients about potential conflict is obvious in its client lists. Dorlands, for instance, handles Austin Rover, Castrol and Imperial Tobacco while parent Saatchi handles Nissan, BP and Gallaher.

Austin Rover's advertising director Tony Cummings comments: "We've satisfied ourselves absolutely that autonomy is a reality at Dorlands. There's no question that we would *not* place our advertising with an agency that had another car account. It's an unacceptable security risk . . . we even go to the extremes during a new car launch of installing our own corporate security people in all our agencies (design, conference planners, etc) to set up locked rooms.

Long term, however, it seems that attitudes will have to change. Clients are going to have to live with conflict to a degree, say the larger agencies. As networks get fewer and larger, there will simply be less choice, especially for the multinationals.

Jack Rubins, chairman of Dorlands, says: "While direct conflict between brands may present impossible problems, increasingly I believe conflict between two competitive companies and non-conflicting brands will have to be accepted."

Company Notices

GOLD FIELDS GROUP

DECLARATION OF DIVIDEND

The following dividend has been declared in South African currency, payable to members registered in the books of the company concerned at the close of business on 24 December 1985:

Name of Company (Incorporated in the Republic of South Africa)	Dividend No.	Cents per share
The Clydesdale (Transvaal) Collieries Limited (Registration No. 01/01124/06)	145	75

Dividend warrants will be posted on or about 11 February 1986.

Standard conditions relating to the payment of dividends are obtainable at the above transfer offices and the London Office of the company.

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 24 December 1985 in accordance with the above-mentioned conditions.

The register of members of the company will be closed from 25 December 1985 to 3 January 1986, inclusive.

By order of the Board
per pro CONSOLIDATED GOLD FIELDS PLC
London Secretaries
Mrs G. M. A. Gladhill, Secretary

London Office:
31 Charles II Street
St James's Square
London SW1Y 4AG
4 December 1985

United Kingdom Registrars:
Hill Samuel Registrars Limited
6 Greencoat Place
London SW1P 1PL

ROLINCO N.V.

Further to the announcement published in The Times and The Financial Times on 2 December 1985 concerning the Cash Dividend payable 10 December 1985, the rate of exchange for the payment of this Dividend on both Rolinco N.V. Ordinary Shares of Fls. 10 (at Fls. 1.64) and Sub-Shares registered in the name of National Provincial Bank (Nominees) Limited (at Fls. 0.164) is Fls. 4.19 = £1.

UNITED KINGDOM RESIDENTS

The gross dividend is £0.39140811 per Ordinary Share of Fls. 10 (Coupon No. 27) and is subject to the following deductions:—

15% Netherlands Tax	—	£0.05871122 per Share
15% United Kingdom Tax	—	£0.05871122 per Share
Net Payment	—	£0.27398567 per Share

NON-RESIDENTS OF THE UNITED KINGDOM

Where 25% Netherlands Tax is applicable, the following deductions apply:—

25% Netherlands Tax	—	£0.09785203 per Share
30% U.K. Tax on Net Dividend (when applicable)	—	£0.08806692 per Share
Net dividend	—	£0.20548926 per Share

Dividend entitlement on the Sub-Shares will be paid at one tenth of the above amounts, less M.N commission of £0.00048928 per Sub-Share.

Where 15% Netherlands Tax is applicable the calculations are as for United Kingdom Residents, but relief from United Kingdom Tax is immediately obtained provided that the appropriate Inland Revenue Affidavit is lodged with the claim.

NOTICE TO HOLDERS OF MINEBEA CO., LTD.

WARRANTS TO SUBSCRIBE SHARES OF COMMON STOCK OF MINEBEA CO., LTD. ISSUED IN CONJUNCTION WITH ISSUES OF £50,000,000 8¼% GUARANTEED NOTES DUE 1990 US$100,000,000 8¼% GUARANTEED BONDS DUE 1989

NOTICE IS HEREBY GIVEN to warrantholders that, by a merger agreement (the "merger agreement") dated October 28, 1985 between Minebea Co. Ltd. (the "Company") and Kanemori Co., Ltd. ("Kanemori"), a Japanese corporation, it has been agreed that the Company will merge with Kanemori. Pursuant to the proposal of the Board of Directors of the Company at their meeting held on October 28, 1985, to be submitted to the shareholders, the Company will absorb Kanemori, which will be dissolved; shareholders of Kanemori will receive 1 new share of the company in exchange for 1.8 Kanemori shares. In addition, the Company will distribute 4.25 Yen per Kanemori share, in lieu of Kanemori's dividends payable to shareholders of Kanemori as of March 31, 1986.

The above merger is subject to the approval of the shareholders of the Company. The General Meeting of the shareholders of the Company will be held on December 20, 1985 at which time the merger will be submitted to the shareholders. Subject to the approval of the shareholders and the completion of other necessary procedures, the merger will be consummated on April 1, 1986, and will become legally effective as of May 13, 1986. The holders of shares of Kanemori will be entitled to receive their share certificates in the Company and cash distributions on and after May 14, 1986.

The merger will not result in any adjustment of the subscription price.

Subject to the approval of the shareholders, it is scheduled that the Company will make public notices in the official Gazette in Japan on December 21, 1985 to the effect that the Company's creditors may raise objection, if any, to the proposed merger by February 5, 1986, in accordance with the commercial code of Japan.

TOKAI BANK LIMITED
London Branch
as Principal Paying Agent on behalf of Minebea Co. Ltd.

5th December, 1985.

ITO-YOKADO CO LTD (CDRs)

The undersigned announces that as from 11th December 1985 at Kas-Associatie N.V., Spuistraat 172, Amsterdam and at Banque Générale du Luxembourg S.A. in Luxembourg div. cp. no. 29 (accompanied by an "Affidavit") of the CDRs Ito-Yokado Co., Ltd. will be payable with US$2.02 per CDR, repr. 5 Dep. Shs. of 10 shs each, US$20.20 per CDR, repr. 50 Dep. Shs. of 10 shs. each, US$40.40 per CDR, repr. 100 Dep. Shs. of 10 shs. each (div. per record-date 8.31.1985; gross Yen 9.5 p. sh.) after deduction of 15% Japanese tax = Yen 71.25 = $0.35 per CDR, repr. 5 Dep. Shs. of 10 shs. each, Yen 712.50 = $3.56 per CDR, repr. 50 Dep. Shs. of 10 shs. each, Yen 1,425 = $7 per CDR, repr. 100 Dep. Shs. of 10 shs. each.

Without an Affidavit 20% Japanese tax = Yen 95 = $0.47 per CDR, repr. 5 Dep. Shs. of 10 shs. each, Yen 950 = $4.70 per CDR, repr. 50 Dep. Shs. of 10 shs. each, Yen 1,900 = $9.40 per CDR, repr. 100 Dep. Shs. of 10 shs. each will be deducted.

After 3.31.1986 the dividend will only be paid under deduction of 20% Jap. tax with $1.60, $16 and $32 net per CDR, repr. resp 5, 50 and 100 Shs. of 10 Shs. each, in accordance with the Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam,
27th November 1985.

MAKITA ELECTRIC WORKS LTD (CDRs)

The undersigned announces that as from 11th December 1985 at Kas-Associatie N.V., Spuistraat 172, Amsterdam, div. cp. no. 36 (accompanied by an "Affidavit") of the CDRs Makita Electric Works, Ltd. will be payable with Dfls. 5.58 net per CDR, repr. 50 shs. and with Dfls. 107.20 net per CDR, repr. 1,000 shs. (div. per record-date 8.20.1985: gross Yen 9 p. sh.) after deduction of 15% Japanese tax = Yen 57.50 = Dfls. 0.97 per CDR, 50 shs., Yen 1,350 = Dfls. 19.40 per CDR, 1,000 shs. Without an Affidavit 20% Jap. tax = Yen 90 = Dfls. 1.29 per CDR, 50 shs., Yen 1,800 = Dfls. 25.90 per CDR, 1,000 shs., will be deducted. After 3.20.1986 the div. will only be paid under deduction of 20% Jap. tax, with resp. Dfls. 5.04: Dfls. 100.80 net per CDR, repr. resp. 50 and 1,000 shs each, in accordance with Japanese tax regulations.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam,
27th November 1985.

THE WELLCOME FOUNDATION

U.S.$20,000,000 9¾% BONDS 1987

The annual report and accounts of The Wellcome Foundation Limited for the financial year ended 31st August 1985 will be available for inspection at the offices of Messrs Slaughter and May, 35 Basinghall Street, London EC2V 5DB during the usual business hours on any weekday (Saturday excepted) until 28th January 1986.

EUROFIMA

European Company for the financing of Railway Rolling Stock
8¾% 1974/1989 Loan of US$25,000,000

Bondholders are informed that on November 15, 1985, Bonds for the amount of US$2,076,000 have been drawn for redemption.

The Bonds will be reimbursed at par, coupon No 13 and following attached, as from January 15, 1986. *The drawn debentures are those, not yet previously redeemed, included in the following range:*

1915 to 7786 incl.

Amount bought on the market: US$424,000.

Amount outstanding: US$7,500,000.

Luxembourg, December 5, 1985

Fiscal Agent
KREDIETBANK
S.A. Luxembourgeoise

EUROPEAN COAL AND STEEL COMMUNITY—C.E.C.A.

US$50,000,000 11¾% 1980/1990

THE EUROPEAN COAL AND STEEL COMMUNITY—C.E.C.A. will proceed as anticipated with the full redemption of the loan at a price of 100¼% augmented by the accrued interest, in accordance with the conditions of the loan.

Consequently, the 5,000 bonds of US$10,000 will be redeemable starting January 2nd, 1986. Date at which they will cease to bear interest at US$10,075. The bonds will have to be presented for redemption, coupons of January 2nd, 1987 attached.

Redemption of the bonds will take place at the following Banks: ALGEMENE BANK NEDERLAND, *Amsterdam*; BANKERS TRUST COMPANY, New York; CONTINENTAL ILLINOIS NATIONAL BANK, London; CONTINENTAL ILLINOIS NATIONAL BANK, Frankfurt; CREDIT LYONNAIS, Luxembourg.

The Principal Agent
CREDIT LYONNAIS, LUXEMBOURG

United Biscuits (Holdings) plc

WARRANTS TO SUBSCRIBE ORDINARY SHARES

Under the terms of the proposed merger of United Biscuits (Holdings) public limited company ("United Biscuits") and Imperial Group public limited company ("Imperial") which was announced on 2nd December, 1985 and in accordance with the terms of the Deed Poll dated 18th April, 1984 constituting the Warrants, Warrant Holders are hereby given notice that a proposal will be put to them whereby each Warrant to subscribe for 1⁹/₁₄₀ Ordinary Shares of United Biscuits for 155p will be cancelled in consideration for a new Warrant to subscribe for 1⁵/₁₀ Ordinary Shares of Imperial for 155p. Alternatively, Warrant Holders will be entitled to subscribe for Ordinary Shares of United Biscuits and accept the Offer to be made on behalf of Imperial for the entire issued share capital of United Biscuits. Details of the Offer are available from the specified offices of any of the Receiving Agents for the Warrants listed below.

The Royal Bank of Scotland plc
24 Lombard Street
London EC3V 9BA

Morgan Guaranty Trust Company of New York
1 Angel Court
London EC2R 7AE

Morgan Guaranty Trust Company of New York
Bockenheimer Mainzer Landstrasse 46
6000 Frankfurt-am-Main

Kredietbank S.A. Luxembourgeoise
43 Boulevard Royal
Luxembourg

Morgan Guaranty Trust Company of New York
14 Place Vendôme
Paris 75001

Morgan Guaranty Trust Company of New York
Stockerstrasse 38
P.O. Box 474
8022 Zurich

Morgan Guaranty Trust Company of New York
35 Avenue des Arts
B-1040 Brussels

A copy of this notice has been sent by post to all Warrant Holders at their registered addresses.

5th December, 1985

Standard Chartered

Standard Chartered PLC

(Incorporated with limited liability in England)

US$400,000,000 Undated Primary Capital Floating Rate Notes (Series 3)

In accordance with the provisions of the Notes, notice is hereby given that for the Interest Period from 4th December, 1985 to 4th June, 1986, the Notes will carry interest at the rate of 8.3375 per cent. per annum.

Interest payable on 4th June, 1986 will amount to US$421.51 per US$10,000 Note and US$10,537.67 per US$250,000 Note.

Standard Chartered Merchant Bank Limited
Agent Bank

THE ARTS

Exhibition/Patricia Morison

A patron and a scholar

Plenty of politicians combine arrogance with ambition, whereas few burn with a passion for art and, these days, fewer still delight in scholarship. Yet in Stuart England many great figures were all these things, and none more so than Thomas Howard, second Earl of Arundel (1585-1646). "Proud Arundel" was one of the greatest and most influential collectors this country has known, and he is worthily commemorated 400 years after his birth in an exhibition at the Ashmolean Museum in Oxford (until January 12).

So vast was Lord Arundel's collection of paintings, sculpture, antique gems, manuscripts, prints and drawings that to reassemble it nowadays would be fantastically costly and arduous. Just one room at Arundel Palace on the Strand held 30 paintings by Holbein. The Ashmolean has opted for a representative grouping of Arundeliana from within Britain, which still makes this the richest loan exhibition ever held at the museum, with the Queen and Arundel's descendant, the Duke of Norfolk, among the lenders.

Five Van Dycks, two Rubens, Holbeins and Durers keeping company in one gallery would be enough to make this an arresting show. However, its wider interest lies in a clever choice of works which evoke Jacobean culture through a man of pre-eminent taste and breadth of interests. "A winter pear" was how Arundel was charmingly described, for he ripened slowly and it was not until his late 20s that he made his famous first visit to Italy. It transformed him into a collector to vie with the greatest in Europe, and into what Rubens called "one of the evangelists of our art."

Being the son of a saint is a hard act to follow. Sir Philip Howard was executed in the Tower for the Old Faith without ever seeing his son; he was canonised in 1970. Arundel sensibly took little interest in God and a great deal in Mammon. He spent years rebuilding the family fortune, only to find all wrecked in the Revolution. A marvellous bust of Arundel by Dieussart towers above visitors, replete with the pride which repelled even his peers in an age when modesty cut no ice. Yet it was family pride coupled with real aesthetic passion which made Arundel the great patron and collector.

Detail from a Van Dyck painting of the second Earl of Arundel with his grandson, Thomas

A magnificent illustrated genealogy of "Howard, a noble English Saxon," in a red suit with dreadlocks, shows how Arundel, as hereditary Earl Marshal, kept heralds beavering sway on his lineage. His immediate family was disastrous. Countess Alethea took an unscheduled holiday in Venice, to the scandal of the court, returning with a gondola and buckets of edible snails. She abandoned the penurious Arundel in exile. The sons were disappointing and the beloved grandson Tom, shown with Arundel in Van Dyck's touching portrait, was an idiot when he inherited the duchy for which his grandfather had laboured in vain.

There are many lesser delights in this exhibition: sketches by Arundel's friend, Inigo Jones and fine engravings by Wenceslaus Hollar, for Arundel was unusual for the time in appreciating prints. Arundel may have always worn black and bought the grimmest of all Baroque paintings, Titian's *Flaying of Marsyas*, but he had a lighter side. A letter on view shows his warmth towards the agents who scoured Europe and the Mediterranean for art treasures. Even the mildly risqué found its place, in a spectacular cabinet (least known of the works on view), whose innermost section hides Mars and Venus *in flagrante*.

Those with keener eyes will be able to see whether Arundel's antique cameo ring really shows a hermaphrodite in the surprising pose which one learned professor has discerned. More respectable proof of Arundel's love of the antique lies downstairs in the Randolph Gallery with the famous Arundel Marbles. Their misadventures chronicle the transitoriness of a collector's work; Homerus, a battered bulk, only arrived permanently at the Ashmolean last year.

David Howarth's *Lord Arundel and His Circle* (Yale University Press, £30.00) conveys a wholly infectious enthusiasm for his hero. A mass of detail is kept under control making this not only an important but a highly readable contribution to English cultural history.

New Music in London

The composer and writer Bill Hopkins died in 1980, at the age of 37. He was best known for his articles on contemporary music, and for his entries for *The New Grove* (on Boulez, Dukas, Ravel and Stockhausen) in particular. Of his own music, only a small portion of which he allowed to survive, I had heard nothing until Tuesday, when the New Macnaghten Concert at St John's Smith Square included three works, given by Jane Manning and Music Projects/London, conducted by Richard Bernas.

All of them are quite small-scale and fastidiously put together. Hopkins was profoundly influenced by Barraqué, and his extreme self-criticism seems to have been carried over into Hopkins's own compositions. One of the pieces, *Sensation* (1965), a relatively extended group of settings of Rimbaud and Beckett, recalls Barraqué in its high tensile expression and incipient sensuousness; the tiny *Two Pomes* (1964), to texts by Joyce, use a minimum of material with extreme care and an unfailing ear for spare instrumental colour. The solo violin *Pendant* (1969 played by Alexander Balanescu) offered a sharp contrast, with music of fierce, forbidding austerity that suggested a highly rigorous and undisclosed sub-text.

After a short, disappointingly inconsequential new work for violin and percussion *... of torn pathways*, by Roger Redgate, Barraqué's *Séquence* ended the concert. It sounded as powerful and passionately lyrical as ever, with a range and sweep that distinguishes Barraqué's music from that of most of his contemporaries, and made one regret yet again that two of his most substantial works remain unperformed in this country. *Séquence* ideally demands a singer of heroic, operatic cast; Miss Manning does not possess that kind of voice, but brought great attention and intelligence to bear upon the detail and nuance of the ornate lines.

Andrew Clements

★

In the second instalment of the *Music of Eight Decades* series (a shame so interesting and well-varied a concert should have drawn so thin a Festival Hall audience), Elgar Howarth conducted the BBC Symphony in works by Ligeti, York Höller, Bernard Rands, and Ravel.

Höller's Piano Concerto (a BBC commission, with Peter Donohoe its superb soloist) is scored with absolute mastery, and fashioned with notable finesse and delicacy; his sureness of aim made the first encounter a rare pleasure. Upon a carefully controlled harmonic foundation Höller places layers of lacy, fluttery, arabesquing instrumental texture—the piano part alone compiles a contemporary thesaurus of beguiling multi-note figuration. But the work is not just a collection of aural titillations; it has shape, direction, and clear design. I look forward to hearing it again.

By contrast, Rands' six musical studies on Van Gogh that comprises his *Suite: Le Tambourin* (1984) leave a much heavier and less certain first impression. His intention was not to collect a set of musical pictures, but to "translate" the inner working of each chosen painting into musical equivalents. Each movement sets out its own distinct palette of musical colours (ranging from the Debussyan half-tints employed in "Sorrow" to the garish brightnesses of "Au Tambourin"); each has a vivid basic idea. But the scoring for a very large orchestra produces a thick impasto, to which an electric organ often adds a queasy clotting effect, and one comes to feel that each movement has gone on beyond its natural capacity.

Max Loppert

★

It is one of the tragedies (not to say one of the scandals) of modern British music making that so large a number of the orchestral concerts we hear from day to day are given without anything like adequate rehearsal or preparation. It's a fiscal fact of orchestral life, say the orchestral managers: they can't afford more rehearsals. And if the orchestras, together with a single voice, in the name of old-fashioned higher standards, were simply to refuse to play any programmes without adequate rehearsal? It might mean marginally fewer concerts; but I suspect that in the great majority of cases the extra money or resources could and would be found.

The new work by Simon Bainbridge which opened Tuesday's London Symphony Orchestra concert at the Barbican Hall was a special commission from the City University's music department to celebrate its own 10th anniversary. It is a short but tricky piece for eleven brass players and three percussionists, and it had been allocated that morning less than half an hour of the concert's total three hours' rehearsal time. The performance was predictably, by any decent standards, a shambles, and the fault was neither the composer's nor the performers'; some day I hope to review the piece properly after hearing it properly played.

The LSO's performance under Lukas Foss of Mozart's C major concerto with the young pianist Stephen Hough had much to recommend it: cogent, elegant phrasing and beautiful articulation from Mr Hough especially, and easy fluency from the orchestra. But how much more pointful, and pointed, it could have been with just an hour's more preparation! As a finale, Chaikovsky's sixth symphony was given a genial run-through. The LSO is far too good and professional a band, and Lukas Foss far too experienced an old hand, to let anything slip badly. But you know, I know, everybody knows that real music making is more than that. Foss and the LSO together have the potential to achieve an unusually interesting, and maybe a very fine, performance of Chaikovsky's greatest symphony; but no time to achieve it.

Dominic Gill

Edmond/Royal Court

Michael Coveney

David Mamet's 75-minute play, given in Chicago and New York in 1982 and now in a joint production by the Tyne Wear Company, Newcastle, and the Royal Court, is a stunning amorality play, glittering and disturbing, suspended in the dark void of contemporary New York. One of the named dedicatees in Mamet's text is Wallace Shawn. In its savage cartoonery, *Edmond* resembles much of Shawn's work; it is also a technically adventurous piece, pared brutally to the narrative bone, highly theatrical in its scenic elisions.

Edmond is told by a palmist that he is somebody special. He tells his wife he is leaving her and she throws him out. He tries to buy sex but haggles over the price. He pawns a ring and buys a knife. On the subway platform, he tells a lady that the hat she wears reminds him of his mother. She tells him to get lost and he screams abuse at her. He attacks a thief and, elated at coming alive in violence, confidently picks up a waitress. They make love, vent rage against "blacks" and "faggots," turn against each other.

Edmond is arrested on his way to a revivalist meeting, is identified by the hat lady, put on a charge and into a cell. The knife leads to further charges, his wife arrives not to lend support, a black prisoner makes sexual demands. As our hero himself exclaims, "What a day!" The arguments of whether we act the way we do because of destiny or environment are summarised in a lyrical coda. All along, it is left tantalisingly unclear whether Edmond is suffering a breakdown or has merely snapped and been unlucky.

The picaresque fable is staged with wonderful fluency by Richard Eyre, William Dudley's emblematic settings —a bar, a massage parlour, a pawnshop, a church exterior — materialising within a black box topped off with minimal steel girders and catwalks.

Colin Stinton has come from Chicago to repeat his performance as Edmond and combines a curious emotional blankness with a pernickety sense of decency in every flagrantly indecent situation. There is here a remarkable sense of a character wanting to break free and going about doing so with rare indelicacy and inefficiency.

The other roles are shared among eight actors. Connie Booth is firm and forlorn as the abandoned wife, Miranda Richardson touching and waif-like as the stage-struck waitress, Linal Haft ruefully sympathetic as a bar-stool philosopher.

In *American Buffalo* and *Glengarry Glen Ross*, Mamet composed complex stage poems rooted in particular speech rhythms and argots. In *Edmond* he reverts to the revue shutter style of earlier plays like *Sexual Perversity* and *Duck Variations* while simultaneously moving into new structural and tragic dimensions. It is no less than thrilling to have this superb dramatist back on a London stage.

Alastair Muir

Colin Stinton

Moves/Sadler's Wells

Clement Crisp

London Contemporary Dance Theatre opened its winter season in Rosebery Avenue on Tuesday with a programme which included the welcome acquisition of Jerome Robbins' *Moves*. Created 25 years ago, this "ballet in silence" proposes that movement alone will establish atmosphere, dramatic and emotional tensions, without the aid of score or design. The dance and the dancers are thus very "exposed," and the work establishes an air of extreme concentration as it progresses. The least gesture acquires an added weight of physical and psychic meaning: the development of lines of activity, the responses and contrasts as an idea passes among the cast of 12, gain heightened significance.

To sustain such closeness of attention presupposes that the choreography itself has a clear purpose, and this is everywhere manifest. Robbins' inventiveness, his ability to catch and hold the eye with a small incident — as when a quartet of reclining women seem focused upon the movement of one girl's leg; or when a single small jump is intensified into an almost audible crescendo as the cast of 12 dancers takes it up — develops a mood of unusual physical potency. The piece is well done, and is well worth doing.

The opening *Bridge the Distance* is Siobhan Davies' view of Venetian architecture in terms of human relationships, so claims a programme note. The effect is somewhat other. The text appears loose in form, disjunct in its components, and only in the extraordinary solo for Patrick Harding Irmer as an Aschenbach figure do we sense some contact with the city, though not with its façades and structures. The costuming continues to worry me: drab day-dress—with the women bare-foot—suggests nothing so much as a group of dispiriting tourists who find little to enchant them in that most enchanting city.

The costuming for Tom Jobe's *Rite Elektrik*, which closes the first triple bill, is brilliant and brilliantly frank as a portrait of *1980s punk/bondage gear*. Like Peter Darrell's *Mods and Rockers* of 20 years ago—how time and fashion fly!—it is as vivid as a flash-photo of an age. Its extravagance, the adolescent boldness of manners and dress, are matched by Barrington Pheloung's saxophone study and by the quickness and drive of the dancers. This is the way they are.

Béjart in New York

David Vaughan

Nothing could better exemplify the dichotomy between the elitist and the popularist view of dance than the response to Maurice Béjart's *Ballet of the Twentieth Century*. Most critics abominate Béjart's work. The public loves it, though it is safe to say that the audience for Béjart is not the audience that goes to New York City Ballet, say. In 1971, when his company first appeared in New York (at Brooklyn Academy of Music), it attracted crowds of young people who saw in his ballets an expression of the "youth culture" of the time. The audience at the New York City Center in November was no longer predominantly young. (It may be that they were the same people, 14 years older).

Béjart also illustrates an important difference between European and American dance: in Europe, "modernity" has to do with subject-matter, while in America it has more to do with formal considerations. But whatever the supposed content of Béjart's work, he fails to communicate it through dance structure and vocabulary—you have to take it on faith.

The principal attraction of this season's repertory was his new evening-length work (the programme for some reason calls it "a *film* by Maurice Béjart") *Le Concours*, which purports to be both a murder mystery and a spoof of international ballet competitions: one of the contestants is murdered, and a detective is called in to investigate. The narrative aspect of the piece is desultory and slipshod, full of red herrings, and with a dénouement that comes as no surprise. The programme speaks of the victim's "strange and contradictory personality," but this is made manifest mostly through costume changes.

The setting might have afforded the opportunity for some clever satire of the dance world, but whenever Béjart attempts this he proves incapable of it. He uses the same choreographic devices for everything: the parodies of different dance styles — classical, avant-garde, or whatever — all look like standard Béjart, ballet steps chopped up and interspersed with jerks and twitches that make the dancers look like spastics. As for the various personages involved, the contestants, the judges, the hangers-on, the suspects, Béjart resorts to shameless caricature, as in the randy, gum-chewing American judge, played by Colleen Neary, formerly with New York City Ballet.

In another programme, Neary appeared to better advantage as the lesbian in Béjart's 1957 work *Sonate à trois*, based on Sartre's *Huis-clos*, a prototypical existentialist ballet about three people trapped in their private hell. As always in such pieces, there are chairs for the characters to sit on, sling around, and sometimes put on their heads. In more senses than one, the ballet doesn't go anywhere—once the situation is set up, there's nothing Béjart can do with it. *Seven Greek Dances* (1982) at least adds another element—Greek folk dance—to his usual choreographic mixture, however vestigially, and the pretentiousness is for once confined to the programme note, which one can ignore.

His new ballet to Stravinsky's *Le Baiser de la fée*, on the other hand, is a hopelessly confused attempt to deal with life, love, destiny, and what-have-you. Stravinsky's wonderful score, his homage to Chaikovsky, has defeated better choreographers before now. Balanchine, for instance, made several attempts to solve the problem of the protracted adagio finale, and finally made a distillate of the ballet's theme to the *Divertimento* extracted from the complete score (omitting the eponymous fairy altogether). Béjart adds music —bits of the original Chaikovsky in other arrangements, as well as wind noises and even a voice-over narration. Instead of telling the story in dance terms and letting the allegory take care of itself (always the best way) he piles on the symbols. At one point, for no logical reason, we are in a ballet studio, where dancers are watched by a "St. Petersburg family" (whose?) and the fairy enters in the biggest tutu ever seen.

What makes the *Ballet of the Twentieth Century* so depressing to the dance connoisseur is the fact that there are good dancers in the company. True, the women tend to look demoralised—the emphasis is on male virtuosity, not to mention the male physique. Eric Vu-An, a guest artist from the Paris Opéra, is inexpressive but athletic as the Young Man in *Baiser*. Marco Berriel almost manages to make a coherent dance characterisation of the detective in *Le Concours*. Saddest of all is to see Ronald Perry, formerly of Dance Theatre and one of the finest *danseurs nobles* America has produced, wasted on such rubbish, though his *fouettés* were the best bit of dancing in *Le Concours*. The real reproach is to Ballet Theatre, which failed to use his talents.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. *Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.*

Nov 29–Dec 5

Exhibitions

TOKYO

Impressionist Masterpieces: From the Art Institute of Chicago, 65 items from one of the world's largest collections trace the development of impressionism from Millet and Courbet forward. Included are Renoir's On the Terrace, and Cézanne's The Bathers. Seibu Museum of Art, Seibu department store, Ikebukuro Branch. Closed Thur. Ends Dec 17.

NEW YORK

Metropolitan Museum of Art: The travelling show India, arrives from Washington with 350 examples of six centuries and numerous flourishing periods of art and craft. Ends Jan 5.

Asia Society: Complementing the Metropolitan show, Akbar's India concentrates on the 49-year reign of the sixteenth-century Mughal emperor who built Fatehpur Sikri and inspired the works represented here by 80 paintings as well as metal work, carpets, and textiles. Ends Jan 5.

Museum of Modern Art: Making generous use of the Riklis Collection of the McCrory Corporation, this exhibit of geometric abstract art of the twentieth century entitled Contrasts of Form covers the Russian Constructivists and American Minimalists as well as Cubism and Bauhaus. Ends Jan.

Guggenheim Museum: 55 major sculptors of the 20th century, including Giacometti, Nevelson, and Johns, are part of the theme Transformations In Sculpture, meant to cover pop art, minimalism and Arte Povera, *among other movements of the* past 40 years. Ends Feb 16.

Pierpont Morgan Library: 200 British photographs from the Victoria & Albert *Museum cover Fox Talbot to* Julia Margaret Cameron and Lewis Carroll among the earliest practitioners in the years from 1839 *to 1900. 38th St & Madison Av. Ends* Feb 2.

WASHINGTON

National Gallery: The Treasure Houses of Britain collects 700 objects from 200 stately homes in a show mounted and decorated to look like the quintessential stately home, with paintings by Holbein, Rubens, Van Dyck, Hogarth and Turner among many others, as well as Chippendale furniture, Meissen and Sèvres porcelain and tapestry, jewellery and armour. Ends Mar 9.

Hirshhorn: The recent allegorical and romantic strain in Italian painting is represented in a show of 46 works, primarily paintings, from 13 artists, including lesser known artists such as Carlo Bertocci and Patrizia Cantalupo as well as the well known Sandro Chia, Mimmo Paladino and Carlo Maria Mariani. Ends Jan 5.

National Gallery: 118 Master Drawings from the fifteenth to nineteenth centuries lent by the Swedish Nationalmuseum include works by Dürer, Rembrandt, Rubens, Van Dyck and Goya. Ends Jan 5.

CHICAGO

Art Institute: Chalk & Chisel combines 11 sculptures with more than 80 sculptors' drawings to show the interplay between preparation and execution in the work among others of Rodin, Carpeaux and Rysbrack. Ends Dec 12.

PARIS

Picasso Museum: The 17th century Hôtel Salé, sumptuously restored, provides a fitting home for the world's largest collection of Picasso's work. It comprises 203 paintings, 158 sculptures and more than 3000 drawings and engravings, 16 collages and 88 pieces of ceramics. It is completed by Picasso's own collection of paintings by his friends, such as Braque and Matisse, or by artists he admired, Renoir, Cézanne, Douanier and Rousseau. Musée Picasso. Hôtel Salé, 5 rue Thorigny. Paris 3e (271 2421). Closed Tue.

Sir Joshua Reynolds: The artist's first exhibition ever in France, organised with the London Royal Academy and British Council's aid. It follows the Gainsborough and Turner exhibitions and acquaints the surprised French public with the history of English painting and with the remarkable and inventive portraitist that was Reynolds. Grand Palais, closed Tue, Wed late opening (261 5410).

The fame of Victor Hugo. To mark the 100th anniversary of the poet's death, some 1,000 documents – grand and less grand, including caricatures, posters, photographs, try to explain the extraordinary phenomenon of Hugo's glorification. Grand Palais, closed Tue. Ends Jan 6 (28 154 10) Petit Palais adds to Hugo's celebrations an exhibition Le Soleil d'Encre consisting of more than 300 of the artist's drawings and 200 manuscripts belonging to the Bibliothèque Nationale. Petit Palais, closed Mon (26 512 73).

Modern Masters of the Thyssen-Bornemisza collection: The 107 paintings from one of the world's most remarkable private collections constitute a panorama of modern art which is anything but didactic. German Expressionists were one of Baron Thyssen's first loves, quickly followed by Kandinsky and the Russian avant-garde. Manet, Renoir, Degas, Lautrec create another centre of interest, while Picasso's l'Homme à la Clarinette is one of the Baron's favourite acquisitions. Musée d'Art Moderne, 11 Avenue du Président Wilson (47 23 61 27). Closed Mon. Ends Jan 5.

SPAIN

Madrid, a retrospective of 200 paintings, waxes and drawings by master of Cubism Juan Gris (1887-1927) on loan by private collections and museums of Europe and the U.S. The exhibition offers for the first time in Spain and Europe a good assembly of Gris's best works. Biblioteca Nacional, Sala Picasso, Paseo Recoletos 22. Until end of Dec.

Madrid: Toulouse Lautrec. For the first time in Madrid, an excellent assembly from Museum Albi (France): 31 posters, 12 paintings, six drawings and 37 lithographs including his 12 Elles and the series Au Cirque. All from 1891–1900 just before his death. A good exposure of La Belle Epoque and Montmartre. Caja de Barcelona, Velázquez 63. Free entry. Ends Dec 9.

ITALY

Florence: Museo di Storia della Scienza: A History of Spectacles. More than a hundred pairs of glasses from the Zeiss foundation (in E. Germany). This is the first time the collection has been shown publicly. Exhibition also includes engravings by Durer, Rembrandt and Japanese artists. Ends Jan 11.

Rome, Istituto San Michele, Via di S. Michele. Seeing the Invisible – a project for a science museum. Rome lacks a science museum, and this entertaining and stimulating exhibition suggests how such a museum might get the non-specialist public involved and interested in scientific research. Sections on visual perception (how our sight functions, and how we can be fooled into seeing what is not there), astronomy, biology, physics and computers (explaining their uses and limits). Super for children. Ends Dec 7.

WEST GERMANY

Berlin, Nationalgalerie: Art from 1945 to 1985. With 500 works by 220 artists the Berlin National Museum will display an extensive exhibition of post war art. Ends Jan 12.

Stuttgart, *Neue Staatsgalerie:* A retrospective of 81 works of the British artist Francis Bacon (born in 1909). The works, covering 40 years, are on loan from the Tate Gallery, London. Ends Jan 5.

Bremen, Kunsthalle am Wall 207: Klee drawings and paperworks from 1921 to 1933. Ends Jan 5.

Düsseldorf, Kunsthalle Grabbeplatz Joel Shapiro: First stop for an exhibition covering 80 abstract sculptures and paintings by the American artist in the last nine years. Ends Jan 19.

BRUSSELS

Armada Treasures. 2,000 *items from* the Ulster Museum. A variety of objects including a gold salamander set with rubies, rings and a three-tonne *siege gun raised from three* ships, Girona, Trinidad Valencera and the Santa Maria de la Rosa, all wrecked off north and western Ireland in 1588. Credit *Communal* until end Jan.

NETHERLANDS

Eindhoven, Van Abbe Museum. The ethereal worlds of Nicola de Maria in a colouristic display of paintings, drawings and watercolours. *Ends* Dec 8.

Amsterdam, Maison Descartes (Vijzelgracht 2a). Season of French experimental films, including Cocteau, Varda and Bidault (Tue and Thur). (224936).

VIENNA

Art From The *Stone*: Art lithography from its origins to the present. This exhibition shows the versatility of nearly 200 years of European lithography. Most artists seem to have had a try at drawing or painting "on the stone" – from Goya to Picasso, Delacroix to Chagall, Toulouse-Lautrec to Miro, Munch and Beckmann. The exhibition explains how lithog*raphy began, how it is done,* and goes a long way to explain its continued fascination for artists. At the Albertina until Dec 8.

Saleroom/Antony Thorncroft

Auction record for Signac

Confirmation that there is currently strong demand for the very best pictures but little interest in works of medium or low quality was on hand at Sotheby's sale of Impressionist and modern pictures on Tuesday night which, like Christie's a day earlier, did remarkably well, with a total of £8,314,900 and only 10.6 per cent unsold.

As expected the top price was the £726,000 paid for "Brise, Concarneau—Presto" by Paul Signac. It was an auction record for the artist. The picture was one of nine which had belonged to the late Sir Charles Clore. All told they brought in £2,288,000 for Jewish charities.

Another artist record was the £118,800 for "Rooftops, St Ives," painted by Ben Nicholson in 1948, and another Clore picture. A private buyer paid £605,000 (way above estimate) for "Au theatre, la loge" by Renoir and £451,000 for "La lecture" by Picasso. "Glaçons à Bennecourt" by Monet made £341,000; "L'eloge de la melancolie" by the Surrealist Paul Delvaux sold to Marlborough Fine Art for £302,500; and the Japanese dealer Umeda acquired Picasso's 1918 "classical" portrait of his first wife Olga for £269,500.

Yesterday Sotheby's sold less important Impressionist and modern pictures for £2,957,900, with 24.7 per cent unsold, not too bad for medium quality pictures. A Japanese buyer paid £121,000 for a young lady with a child and a guitar by Marie Laurencin; "Le paddock" by Dufy sold for £99,000; and another Laurencin, of flowers, was above forecast at £82,500.

The most important lot in Sotheby's auction of portrait miniatures, one of 22 surviving by Lucas Horenbout, of Charles Brandon, Duke of Suffolk, failed to find a buyer, being bought in at £34,000, probably because it had been much restored. Dating from 1530 it is one of the earliest surviving miniatures. This apart the sale did well, with a miniature of Charles III, duc of Lorraine, on target at £7,920.

Sotheby's experimental first sale in Dubai got off to a mixed start on Tuesday night with a total of only £170,099, and 40 per cent of the 121 lots unsold; one unsold lot—a 9th century glass spoon, carried that sort of estimate on its own, so the real bought in total must be much higher. But there are still two more sessions to go.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday December 5 1985

The Ten make a deal

THE MOST significant fact about the package of reforms hammered our in the early hours of yesterday morning at the European Community's Luxembourg summit is that a general agreement was reached, subject to reservations by Italy and Denmark. Many doubted whether it was either prudent or necessary to have launched this attempt to amend the Treaty of Rome: the agenda seemed too long, the time too short, and the differences between the member states too great. The fact that an agreement was finally reached in the short space between two European Summits, is in part a tribute to the presidential skill of the Luxemburgers, but may also testify to the seriousness with which most member states worked for agreement on the basis of compromise.

The reforms themselves are far from being revolutionary or radical; but that was inevitable, given the wide divergence of national positions at the start. If they are finally ratified, they should make a moderate, but useful contribution to the better working of the Community, and in particular help to speed up the liberalisation of its internal market.

The issues on which majority voting will now be available in place of unanimity have been enlarged, but not very much. The weight of the European Parliament in policy-making has been slightly increased, but the last word will remain with the Council of Ministers. The co-ordination of foreign policy between the member states will be placed on a more formal footing than before. And a number of other policy areas (the European Monetary System, technology, the environment) will receive greater recognition as part of the Community's treaty competences, without necessarily changing very much the way they are currently being handled in practice.

For Britain the outcome is particularly welcome, but not because the results are so modest; Mrs Thatcher may have originally been opposed to any treaty modification, but it seems clear that, in the negotiations in Luxembourg, she would have been prepared to go further down the road of majority voting than the final package.

The central point is that, in a constitutional debate which might have been expected to bring out her most ideological prejudices, the Prime Minister ensured that Britain would be centrally placed alongside France and Germany, and could not be made, yet again, the scapegoat for any kind of breakdown. Even Mr Jacques Delors, the Commission president, now admits that Britain is becoming more European.

Stumbling blocks

The reservations of the Danish and Italian Governments still remain important stumbling blocks, the Danes because the Folketing may reject the reforms as going too far, the Italians because they do not go far enough; if either parliament rejects the reform package, it will be rendered null and void in a legal sense. The greatest danger lies in Denmark; the Italians are deeply committed to the idea that much more power should be given to the European Parliament, as democratic compensation for more majority voting in the Council of Ministers, but it is hard to believe that they would rather have no reform rather than modest changes.

The one thing that is virtually certain is that this package cannot now be changed in any significant way. If it is thrown out by any single parliament, the member states will be forced to re-examine pragmatic ways of improving their decision-making without treaty changes. Such improvements would be better than nothing; but it would be a great pity if, having come so far, the states failed to endow their declared desire for a more dynamic Community with the political symbolism of parliamentary ratification.

In the end, what counts is the attitudes of the member-states. Majority voting has long been available on many articles of the Rome Treaty; the facility has been underused because member-states were relucant to invoke it and because, in practice, they acquiesced in the idea of stagnation. The slight enlargement of majority voting, as an option, will make little difference unless governments are more determined to make the Community work better. The proof of the pudding will be in the eating.

Bringing fraud to book

FRAUD has suddenly become a political issue. The cases under the spotlight are not particularly new—some of the Lloyd's scandals now date back more than 10 years. But the combination of continuing revaluations at Lloyd's and the furore over Johnson Matthey Bankers has raised widespread public concern about business practices in the City of London.

One factor is that the underlying potential for large-scale financial swindles is increasing because of the growing complexity of business procedures, notably in the development of more obscure financial instruments and systems, and in the rapid expansion of cross-border transactions.

However the immediate trigger for the current controversy is the obvious difficulty experienced by the legal authorities in prosecuting fraud, let alone in obtaining convictions. It took two trials costing around £100,000 each for the Director of Public Prosecutions to convict Justin Frewin, a comparatively small-time operator in the commodities markets. Not surprisingly, the DPP is cautious about taking a number of much bigger fish to court.

Several measures have already been taken to improve the ability of the judicial system to combat fraud. Two years ago Lord Roskill was appointed to head a committee of inquiry into ways in which the conduct of fraud trials could be improved. The report of this inquiry is expected soon, perhaps next month. Last year the setting up of special fraud investigation groups within the DPP was approved, and a further expansion of resources in this area is being urged by the Solicitor-General.

Trial by jury

Undoubtedly extra resources are part of the solution, but it can hardly be expected that they will overcome the inherent disadvantages of the trial by jury system. The normal experience is that juries—from which the more numerate or business-conscious are removed by defending counsel—are overwhelmed by a mountain of confusing evidence. It seems unlikely that the Roskill committee will recommend substantial changes, though it might seek to improve the admissibility of evidence, itself an important point when original documents are likely to have been long since shredded.

Effective prosecution is, however, going to require more radical solutions. The characteristic of financial fraud is the ability of the perpetrator to create an elaborate smokescreen to obscure and disguise an underlying theft. To combat this, it may be necessary to move in the direction of the legal principle already introduced through the famous Furniss v Dawson tax evasion case, so that guilt can be established on the basis of the underlying intention behind a series of related transactions, rather than the legality or otherwise of any particular step in the chain. The legal profession is hotly opposed to any such change.

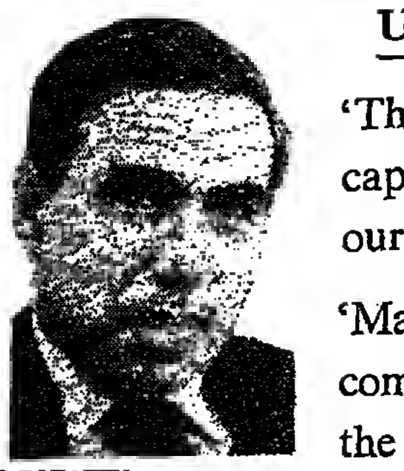
Jealous

Second, the roles of the existing, sometimes jealous, agencies will have to be rationalised. At present self-regulatory bodies like the Stock Exchange are complaining at the inactivity of the statutory authorities, amongst which the roles of the Department of Trade and Industry, the Fraud Squad and the DPP are not clearly enough defined.

Third, it has to be recognised that fraud is an international phenomenon; it will certainly be spread across several jurisdictions by any prudent fraudster. In the case of the alleged Lloyd's frauds, documents and personnel are scattered across two or three continents. The existing pattern of informal contacts between different national agencies, coupled with hazardous extradition proceedings, cannot be satisfactory.

The international dimension is particularly important for the UK, bearing in mind the policies now being pursued to encourage the development of the City of London as an increasingly major force in the international financial markets. If the prosecution of financial crime in Britain is perceived to be ineffective, London will come to be seen as a natural centre for fraud — more hospitable, certainly, than New York or Tokyo. Early success in securing prominent convictions is necessary if that image is to be avoided

US LEVERAGED BUYOUTS



● ROHATYN

'They substitute debt for capital, the opposite of what our objective ought to be'

FELIX ROHATYN

'Management attitudes make companies work, not the capital structure'

MERRIL HALPERN

HALPERN ●

How Mr Simon opened the floodgates

By Terry Dodsworth in New York

ABOUT two years ago, Mr William Simon, the former US Treasury Secretary, pulled off an extraordinary stroke of financial wheeler-dealing which turned management buyouts into one of the hottest topics on Wall Street.

As head of his private banking group, Mr Simon had masterminded the acquisition of Gibson Greetings, a greeting card company, by a team of its own managers only a year before.

After a series of swiftly executed transactions, which culminated in the flotation of the group on the New York Stock Exchange, Mr Simon's investment company emerged with a profit put at around $70m — along with a remaining holding of about 50 per cent in Gibson.

From that point on, management buyouts—or leveraged buyouts (LBOs) as they are more generally known—have taken Wall Street by storm. They have also inspired a fierce debate about the value to the US economy of this now widespread phenomenon. According to Mergers and Acquisitions Data, the number of deals jumped from 164 in 1982 to 229 last year and 250 in 1984. The value of the largest buyouts—some of the smaller ones are not tracked — shot up from $8.5bn three years ago to $18.6bn last year, and will almost certainly reach a similar total this year.

"When we started in 1973, there were only about five serious professional buyout groups," says Mr Merril Halpern, chairman of Charterhouse Group International, a largely UK-backed investment organisation. "Today there are 100 or more, and the capital employed in the business runs into billions."

This flood of finance has been attracted by the handsome returns for the buyout organisers. In a reasonably successful LBO, in which the takeover is funded by borrowing against the assets being purchased, all the providers of finance can expect to generate higher returns than they would normally find available elsewhere — a consequence, the critics argue, of the tax breaks achieved by abnormally high depreciation charges and interest deductions.

About 60 per cent of the finance in a typical US deal will be in the form of primary bank debt at floating rates, carrying a first charge on assets, while another 30 per cent of subordinated debt — the so-called "mezzanine" funding—will be at a fixed, premium rate. The equity level is frequently no more than 10 per cent, often giving the backers particularly high capital gains because of the limited ownership base when they come to sell their shares. Such profits are taxed at only the 20 per cent capital gains rate.

Providers of equity finance for buyouts "are probably looking at a 40 per cent annual compound rate of return on a five to seven year basis," says Mr John Childs, senior managing director of the corporate markets sector at the Prudential Insurance group.

The seal was set on the dizzy expansion of the LBO market by the recent $6.1bn takeover agreement for Beatrice, the Chicago food and consumer products conglomerate, by an investor group led by Kohlberg, Kravis, Roberts, the doyen of the buyout financing companies This was a deal that would have been inconceivable only a year or so ago — the biggest acquisition ever in the US outside the oil sector, yet masterminded by a small private company employing only a handful of people with none of the prestige of a traditional investment bank.

KKR was able to embark on the Beatrice transaction because it has attracted a large number of backers. This allows it to mount the sort of coups that used to be the exclusive preserve of the biggest corporations in America. Yet despite the formidable weight of the LBO financiers, some parts of the Wall Street financial establishment still look with great suspicion on the kind of deals KKR and its imitators persue. They point in dismay to the minute size of the fianacing companies against the corporations they are stalking, and, even more pertinently, to the unwieldy preponderanca of debt in the balance sheet of the companies which are bought out.

In a celebrated phillippic on this subject, Mr Felix Rohatyn, a senior partner at Lazard Freres and one of the most respected Wall Street bankers, argued that the LBO technique had two dangerous consequences, both highly speculative. "First, it bets the company on a combination of continued growth and lower debt rates, with no margin for error. Second, it substitutes debt for permanent capital, which is exactly thet opposite of what our national investment objective ought to be."

The response of the buyout financiers is a simple one. Their critics, they say, are focusing on the wrong target, because they are failing to see the importance of the change in the style of management in an LBO company.

"People look at leveraged buyouts as a financial phenomenon," says Mr Halpern, "but it is much more of a managerial phenomenon. At the end of the day it is management's attitude that makes companies work rather than the capital structure."

Many financiers see buyouts as part of a shift in American business activity

They point out that many LBOs orginated in the sale of unwanted divisions by the larger public corporations which are reshuffling assets to concentrate on their mainstream activities. Others derive from groups of managers who want the freedom to operate without the constraints of constant shareholder pressure, and with the incentive of significant financial gains from the growth of the company.

Either way, LBOs represent "a shift of funds from bureaucratic organisations into entrepreneurial hands," says Mr Halpern.

The financiers concede that the risks carried by the buyout companies are much greater than in the average US corporation. But this is balanced, they argue, by increased accountability. Typically, the risks are ones that can be reasonably well calculated, since the businesses are mature, the managements proven, and the markets well understood. The skill of the financiers lies in structuring the debt in such a way that it can be serviced safely from cash flow, while putting pressure on the management team to perform "more aggressively and more creatively," as one of them puts it.

The buyout finance companies see takeover prices as a greater threat to their activities than interest rates. As the stock market advances, and the competition grows more intense in the takeover business, it is becoming less easy to find undervalued candidates for takeover.

As one of the experienced players puts it, "this is an outstanding business when you can make an acquisition at eight times net earnings, good at 10 and OK at 12, but it probably does not make much sense over that." The Beatrice deal is going through at about 20 times next year's forecast net income.

Yet buyout executives stress that up to now there have been very few instances of total collapse. Brentano's a New York bookstore bought out in what today looks like a very minor $8m deal in 1981, filed for bankruptcy a year later, and Thatcher Glass, sold by Dart and Kraft for $140m in 1982, went into bankruptcy and disposed of its assets for only $40m last year.

Apart from these and a few other minor hiccups, it is difficult to point to any signs of widespread ill-health among the LBO companies. Indeed, the buyout sector survived the 1981-1982 recession, when high interest rates and the economic slowdown combined to produce some of the worst conditions they could have imagined, without a major problem.

This is why many of the buyout entrepreneurs are willing to bet that they will not founder during the next recession as some Wall Street gurus predict. "Most US companies have a greater capacity for servicing debt that people credit," says Mr Joseph Rice, president of Clayton & Dubilier, one of the leading New York LBO finance companies. "If you try to find failures, the number is so small it looks like a statistical aberration."

BIGGEST BUYOUTS OF 1985

Date	Company	Price $M	Status
Oct. 1985	Beatrice	6100.0	pending
Oct. 1985	Macy	4226.0	pending
April 1985	Storer Broadcasting	2510.0	completed
Oct. 1985	Revlon	1770.0	pending
July 1985	Union Texas Petroleum	1700.0	completed
Oct. 1985	Jack Eckerd	1600.0	pending
July 1985	Levi Strauss	1227.0	completed
Nov. 1985	National Gypsum	1100.0	pending
May 1985	Uniroyal	1029.0	completed
Jan. 1985	Denny's	908.0	completed
Oct. 1985	Household's Merchandising Unit	690.0	pending
Jan. 1985	Red Lion Inns	600.0	completed
Oct. 1985	Warnaco	408.3	pending
May 1985	Mary Kay	280.0	pending
Sept. 1985	Sybron	255.4	pending
Nov. 1985	Alamito	251.0	pending
June 1985	Papercraft	240.0	approved
Nov. 1985	Swift Independent	135.0	approved
July 1985	Olin's Ecusta Unit	125.0	completed
Nov. 1985	Easco	105.0	pending
Nov. 1985	Datapoint	100.0	pending
Oct. 1985	Amer. Hosp. Supply's Haemonetic	n/a	pending

Compiled by: Rivka Nachoma

REASONS WHY MANAGERS CHANGE THEIR SPOTS

WHY DO managers spawned in the great corporate bureaucracies suddenly become more entrepreneurial when they shed their public shareholders or hive off from a larger organisation?

One reason is motivation. In a well-tailored LBO, executives will be operating under a financial structure which mixes risk and reward in a way that leaves them totally committed to the enterprise.

On the downside, managers will have been forced to borrow heavily, and probably pledge most of their personal assets, to buy their equity; on the upside, their ownership will hold out the potential of substantial capital gains.

To take just one example, executives at Harris Graphics, who bought their shares for $1 when the company was acquired three years ago, are now sitting on a paper profit of around $16 following the successful reflotation of the enterprise.

Second, managers argue that LBOs give them the opportunity to settle down with understanding shareholders and work out longer-term plans without having to worry about short-term performance. Because the shareholders are also lenders, and are limited to a handful of financiers and institutions, they tend to be more sophisticated and knowyedgeable.

"You don't have to spend so much time on the fundamentals," says Mr Phillip O'Reilly, chief executive of Houdaille, a machine tool and engineering company which went private in 1979.

Third, some executives feel they become more committeed to managing the balance sheet rather than the profit and loss account.

"I don't know that LBOs make managers any better," says Mr Tony Cassara, chief executive of Golden West Television and head of a Los Angeles station which KKR bought and sold for a princely profit. "But it certainly makes managers much better at controlling cash."

The emphasis on cash management is echoed throughout the buyout sector. Indeed, in the early years of an LBO, the virtually overwhelming need to operate so that interest and debt principal can be covered, means that bottom line profits become an entirely secondary concern. "You do things for tax reasons which make the profit and loss account look sick," says Mr O'Reilly.

Fourth, managers feel they have more freedom of action in an LBO company than in a public group or in a division of a large corporation.

"It is much easier to buy and sell companies than when you are a public group having to make announcements to shareholders," says Mr O'Reilly. "Announcemens often encourage rival offers, whereas a private company can get things done more quietly." Houdaille has unquestionably used its new-found freedom as a private company, selling several divisions, and buying two new businesses.

Many LBO managers are showing so much enthusiasm for their new-found freedom that they are unwilling to give it up and float themselves as public companies, one of the ways of realising capital gains. "The only reason for wanting to be in the public market is that it provides a method of establishing value in an arms-length transaction," says Mr Dennis Sheehan, chief executive of Axia, a diversified electrical tools and instrumentation group, which was bought out two years ago. "In the absence of that, I see no reason to go public."

A feature on the buyout of Houston-based Vista Chemical from its parent, Conoco, will appear on the Management Page shortly.

Men and Matters

Plessey mans the barricades

A solid, forceful, and sometimes irascible character, Sir John Clark, aged 59, has been the dominant figure in Plessey for the past 23 years.

The CEC bid approach will stir some old memories for him. It was in August 1968 that as plain Mr Clark he strode into the Aldwych offices of English Electric and dropped an unsolicited bid on to the table before Lord Nelson.

In spite of advice from merchant bankers S. G. Warburg (who now advise CEC) Plessey lost out in that fight to Arnold Weinstock and his team who went on to build Britain's biggest electrical and electronics group.

Since then the rivalry between the two companies has continued, with executives from each side making many unprintable comments about the other's performance.

The signs are that Clark has been giving special attention throughout this year to strengthening his Millbank Tower hq against predators.

In addition to his top table of deputy chief executives he has been giving priority to management development and succession by recruiting a "B" team of men in their mid-40s.

As a result the Plessey management team looks a more credible force than it would have appeared a year ago.

Alan Jones, aged 45, who ran Plessey Radar, was given a main board seat in March. Sir James Blyth, also 45, and a new director, used to be head of defence sales at the Ministry of Defence. He is the new md of the electronic systems business. Virian Butler, aged 52, another new board member, has been put at the sharp end of the business running the engineering and components division. David Dey, aged 47, has just arrived from IBM to be managing director of telecommunications.

Clark was thrust into the top mangement of Plessey while still in his thirties after the death of his famous father, Sir Allen Clark, who had created the company from small beginnings in the 1920s.

Both John and his brother Michael, aged 58, who is deputy chairman and deputy chief executive, and chairman of Plessey Electronics, were brought up under the iron rule of their father.

As John Clark told this column back in 1964: "Right from the moment I went to Harrow it was discipline, discipline, discipline. I sometimes think that discipline is all I can remember about my boyhood."

Although the Clarks have only a small shareholding in the business there is a dynastic air about Plessey which some executives have found irksome.

While there is a high degree of decentralisation to the operating subsidiaries there is no doubt where the key decisions are made.

In a paternalistic environment the turnover of senior executives has been so high at times as to attract criticism from outside company-watchers. One disgruntled executive who resigned after a short stay told the brothers "You run this place like a family pork butchers' shop."

Nevertheless John Clark's present "A" team of deputy chief executives is a useful one —"The five wise men" one company executive calls them. They are a blend of old-timers and relative newcomers.

Michael Clark's electronic systems division represents one-third of turnover. Frank Chorley, aged 59, who is chairman of the telecommunications business accounting for 48 per cent of turnover, is an engineer, a former CEC man who has been with Plessey 12 years.

Peter Marshall, aged 58, director of finance, has been with the group only seven years. He came from Norcros. Marshall is a lively and astute financial man who is believed to have been head-hunted for a variety of top jobs in both the public and private sectors — he has stayed loyal to Plessey.

Bill Dalziel, now 68, and a life-long Plessey man, is said by his friends to be one of Britain's outstanding manufacturing managers. They compare him with Allen Clark, the Plessey founder.

The group's US business is run by Warren Sinsheimer, aged 58, also a deputy chief executive, a New Yorker who has been with the company for more than 30 years

Given the company's style and the family history it would be surprising if John Clark simply surrendered his sword to Weinstock. Siege preparations appeared to be the order of the day at fortress Millbank Tower yesterday. A representative from Charles Barker the city public relations agency has arrived to help man the barricades.

"Look, we've had this argument before—what you mean by free banking is not what I mean"

Best boss

While Lord Weinstock still has an admiring audience for his management skills among Britain's company directors he has had to yield pride of place to the redoubtable John Harvey-Jones, chairman of ICI.

MORI has just completed its annual Captains of Industry survey round the board rooms. According to 36 per cent of those polled Harvey-Jones is the most impressive industrialist in Britain at the moment. Weinstock is second with 17 per cent of the poll. Sir Owen Green of BTR is third with 15 per cent.

On the march

If there is a rift in the lute between church and state, there is a new accord between church and organised labour since the publication — and rubbishing — of the former's report on inner cities.

Norman Willis, the TUC general secretary, who has himself the aspect of a genial Chaucerian friar, came in to the monthly meeting of the National Economic Development Council yesterday singing "Onward Christian Soldiers."

He followed that up, in his remarks to the august (and aghast?) council by adapting the remarks quoted in the report as being made by a priest who said he was far too busy coping with inner city problems to have a strategy: were ministers, Willis required, also too busy to have strategy? After this unappreciated question, he had another one: would it not be, he suggested sweetly, a good idea to invite a bishop or two to sit on the Council? No-one, as they say, took the suggestion up.

Observer

هكذا من الأصل

Economic Viewpoint

An EMS strategy for the UK

Samuel Brittain looks at the options facing the Government in the run-up to the Budget

THE TIME for strategic thinking about British economic policy is now—before the New Year. When budgetary strategy is formulated early in 1986, options will have narrowed and it will be too late for new thinking.

The interesting questions at present are not so much about how fast nominal demand growth should be next year, but what the mix should be between fiscal and monetary policy.

Or in more down-to-earth terms, should the Chancellor put the stress on tax cuts, and keep interest rates fairly high; or should he yield to industry's demands for lower interest rates, even if this means little or nothing for the taxpayer?

To discuss this effectively, we have to open up the even more interesting question of the exchange rate regime which should prevail in the UK.

The policy alternatives are normally presented in the following way:

(a) Tax cuts, which may or may not have incentive effects, but which will boost domestic spending;

(b) Interest rate reductions leading to a "more competitive" (ie lower) pound, which might boost net exports and investment.

There is, of course, a chance of some event, like a collapse of the oil price, putting pressure on sterling, which will rule out either alternative.

The other kind of event which would threaten the possibility of either tax or interest rate cuts would be if the image-merchants around No 10 made so much fuss about this being a "caring," compassionate, high-spending government, that the financial markets lost all confidence in the Government's observance of spending limits.

Assuming that landmines can be avoided, what should the emphasis of policy be? My own view is that the Government should aim to create conditions in which it can follow a third option, in addition to those listed above:

(c) Lower interest rates, if and only if they can be achieved without putting downward pressure on sterling.

There is, of course, a relationship between interest rates and exchange rates.

Thus, the option of lower UK interest rates, without a lower pound, does not exist at present—beyond perhaps another ½ per cent cut in base rates. To create this option will require a change in the climate of expectations in the foreign exchange market and thus in the UK policy framework.

Why, however, are interest rate cuts more important than tax cuts?

The true argument is not against tax cuts, but against a loosening of fiscal policy. Last week I explained both the difficulties of defining the budget deficit, in view of all the difficulties raised by asset sales, capital spending, inflation and cyclical corrections, fluctuating oil revennes and so one.

What is much easier to do is to assess the effects of a *change* in fiscal policy. A higher budget deficit means more consumption and lower investment in the long run. It means these things even in the short run if fiscal relaxation is offset by high interest rates.

Would more investment hring more johs? If investment takes a purely capital-deepening form—ie substituting capital for workers—then clearly it is more likely to destroy johs. On the other hand, if it takes a capital-widening form, increasing the effective output capacity of the economy, then it can actually promote growth and employment.

There is an additional factor of key importance to the UK and other countries. In an open economy, a major part of any increase in investment made possible by a low hudget deficit, or any other improvement in national savings, is likely to take the form of overseas investment, which has its counterpart in a more favourable current balance of payments.

One does not have to be excessively puritanical to be worried by the heavy reliance on consumer spending, which is expected to grow faster than GDP, in the official UK growth forecast for next year. Nor to he worried hy the official forecast of a 4 per cent rise in import volume, compared with a 2 per cent rise in export volume.

These are trends which, if continued, will surely lead to a current deficit, entirely inappropriate to a country still enjoying a temporary bonanza from North Sea oil. The clue to the current balance of payments, whether in the US or the UK, is not the nominal exchange rate, but the savings-investment balance, of which the budget deficit is a major component.

A tight fiscal policy does not mean forgoing all tax cuts forever. It means accepting that their realisation depends on the Government's sneccess in restraining public spending over a period of years. In the year ahead it will mean recognising that falling commodity prices—and falling oil prices if they occur—are just as good for real take home pay as tax cuts.

But having said that, it remains true that a combination of a strict fiscal policy and lower interest rates only bears contemplation if this can be achieved without putting sterling at risk. Sterling depreciation would have a doubly bad effect on inflation — both immediately though the impact on import-related prices and profits, and a more insidious second round effect in weakening resistance to wage pressures.

The one context in which I can see interest rates coming down far without weakening sterling is UK association with the EMS.

The case is strong enough without being overstated. It is sometimes said that if sterling were in the EMS, the natural point of reference for interest rates would he German interest rates, now running at 5 per cent short-term and 6½ per cent long-term, compared with 11½ per cent and 10½ per cent respectively in the UK.

This, however, is going too far. For it assumes that in all subsequent EMS realignments sterling would follow the D-mark. This would have to be proved by suhsequent events and would require a major fall in UK inflationary expectations.

A more natural assumption is that the movement of sterling would be intermediate between that of the mark, whose central rate has risen hy a cumulative 20.7 per cent since the inception of the EMS in 1979, and the French franc whose central rate has fallen hy a cumulative 9.1 per cent.

If British interest rates were intermediate between French and German ones, short-term rates would fall to about 7 per cent and long-term rates to around 8½ to 9 per cent. Even if British interest rates were no lower than French ones, short-term rates would be down to 10 per cent.

Even these more moderate adjustments would not occur overnight. The markets would need evidence that sterling could keep its Ecu rate without too many downward realignments.

But nothing has done more to convince me of the case for the EMS than the Commons Treasury Committee's rejection of the idea. Although this committee bas provided a valuable forum and extracted evidence of Whitehall thinking, otherwise unohtainable, its own hias bas always been in an inflationist direction.

There is no need, however, to take a plunge in the dark straight away. UK membership could be approached in a series of stages, which would not at first involve any of the political implications which so worry the Prime Minister.

At one time some City commentators believed that the Government was unofficially shadowing the EMS in its exchange rate policy. The first stage might, therefore, be to start doing just that.

To gain any of the psychological and credibility benefits, the Government would eventually have to speak as well as act. It would have to announce that it aimed to maintain sterling not too far from its present rate of 0.59 pounds to the Ecu or—as a booe to the CBI—rounding up (i.e slightly depreciating) to 0.6.

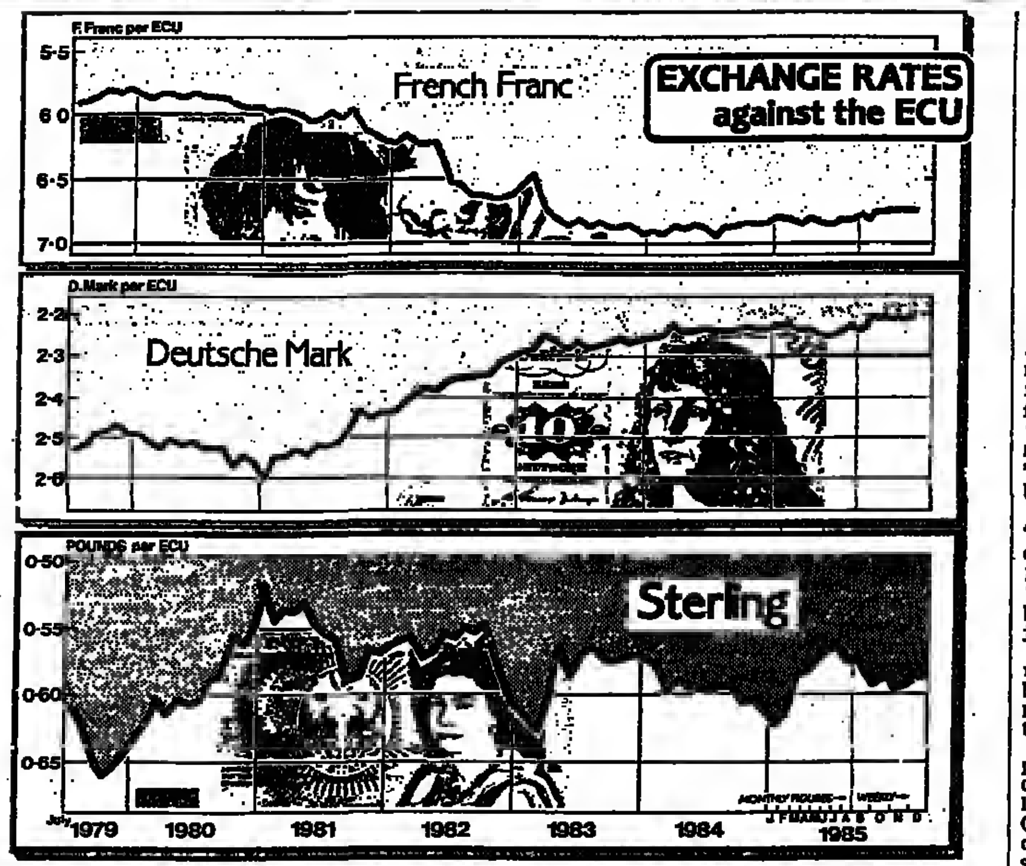
To begin with, no indication of the margin around this rate need be given; and the Government could in practice start with the wide Italian band of 6 per cent on either side. As experience and confidence are gained, it could announce that it was operating within the normal 2¼ per cent limits.

The advantage of this approach is that there would be no irrevocable commitment. The UK Government would be able to see whether the infiueoce of the oil factor on sterling was declining rapidly, as many witnesses before the Treasury Committee maintained.

At first, only very modest reductions in interest rates would be possible. But as confidence that Britain would actually keep within its Ecu margins grew, so the divergence between its interest rates and the average of the main EMS members would lessen.

Neither EMS membership nor a purely domestic Medium Term Strategy can do more than erect obstacles to irresponsible financial behaviour. But with the domestic monetary numbers so muddled in their interpretation, and with electoral pressures huilding up, the EMS link will provide the more convincing constraint.

Yet, for those who remain to be won over, there is everything to be said for moving in stages, the first of which could be undertaken by finance ministers as part of the normal process of economic policy and without any dramatic political decisions.



Lombard

A Marxist plot unmasked

By John Lloyd

A GOVERNMENT minister last night described as "Communist filth" the cover of a forthcoming Institute of Directors report of an inquiry into manufacturing industry entitled "Could wa possibly do a little better?"

The minister said the title "betrayed its Marxist envy of other nations and the quite explicit extreme left-wing desire to impose equality on everybody through the lash and the jackboot."

He said he had not read the report and did not intend to; but that "a glance at the title page was quita enough for me, thank you very much."

A copy of the report, to be published soon, is in the hands of the Financial Times. It lashes out savagely at the Government for "perhaps on occasion being a *little* harsh on some of the less efficient of our industries in pursuit of the wholly laudable aim of competitiveness and higher profitability."

A senior Cabinet minister, to whom this passage was read, commented that "The Institute of Directors has been hopelessly infiltrated by Trotskyists mouthing this kind of garbage. It is rank socialism, a thinly disguised ambition to subsidise a plethora of dying industries in order to suborn their employees and turn them into a private army of red thugs."

A further passage in the report says that the level of unemployment "while assisting greatly in the encoursgement of flexihility, the ending of restrictive practices, the freeing of the labour market, the widening of differentials, the weakening of organised labour, the stamping out of terrorism and the preservation of democracy, might still be open to some objections from a tiny minority of malcontents on the grounds that they don't like it."

The Financial Times understands that this passage has been sent to the Director of Public Prosecutions with a view to a prosecution on grounds of treason. Sir John Hoskyns, Director General of the IoD, is now the object of the most intense scrutiny by the security services—the more so since, as a former Prime Ministerial adviser, he may have secrets to sell.

A close aide of Sir John's, who has gone underground since the leaking of the report, said in a telephone interview last night that "this report has been wholly misunderstood. Actually it's fiercely critical of management and directors for not being pro-capitalist enough.

"We do admit that one or two of the phrases may have been inserted by a member of the inquiry team who once enquired after membership of the Employment Institute: in retrospect, we accept that his inclusion into the team unhalanced it and made it less than objective."

This, however, is unlikely to satisfy government critics. Sources close to the Prime Minister last night said she was "deeply disturbed by the leftward drift in the employing classes" and feared that "the rot has gone too deep to be easily eradicated."

"How many divisions does Hoskyns have?" snarled the sources. "Basically the PM is not interested in the outmoded Stalinism being peddled by the bosses of corporations who have been failing this country for so long, probahly deliberately. Frankly, they should go back to sleep in their armchairs in the Athenaeum behind their copies of the Morning Star, and everybody would be mnch happier. Don't quote me, but we understand from intelligence reports that many of them are regular attenders at church services: need I say more?"

There were signs of disagreement in the Cabinet, however, when Mr Peter Walker, the Energy Secretary, gave a highly coded speech to the Bolsover Branch of the Tory Reform Group last night. In a highly coded passage added after the written text was released, he said that "BYMPLTY CXDRTPJH VFSAQPVLK FRDS NN PCTDFTR." This is further than Mr Walker has gone for some time, and reveals that tension between the wets and dries lies just below the surface. It is probably not enough, to force Mrs Thatcher to move against him—unless be repeats the remark in a more high profile context.

Mr Norman Tehhit, the Conservativa Party chairman, also took a more conciliatory line than his unnamed colleagues, in a speech in his constituency last night. He told a meeting of the Chingford Combined Working Men's Clubs that "there's nothing wrong with our British directors that a spell in the electricians' union wouldn't straighten out."

Letters to the Editor

Industry does not attract

From Mr J. Griffith

Sir,—It is disconcerting to read your Industrial Editor's comment, rightly given boldface type, on the front page of November 30.

One powerful deterrent to able young graduates contemplating a career in industry was put to me by a recent pupil with forceful clarity. His firm personality and high intellectual quality indicates that be would have done at least as well as other successful arts graduates have in the past. As it is be is, like many other classicists with old-fashioned linguistic skill, flourishing as a computer programmer. In discussing careers at the end of a tutorial, he said, in effect:

"I see no joy in spending my working life in industry swimming as it were in a bath of glue. Too many family friends who have been in it for some time complain that their good ideas are shot down or shelved by pompous administrators or dogmatic accountants, who have never been within miles of a work-bench and are anxious only to preserve their cushy existence under the *status quo*. Most of their remaining energies are absorbed in an unending struggle with disgruntled representatives of the workers who confuse negotiation with conflict and whose interest lies in the amount of publicity they can attract, locally or nationally, by their querulousness or hluster. It may be that a labour force often gets the management it deserves, and I dare say that the converse is true too, but so long as I ean do a socially useful job elsewhere, industry, anyway in its present state in this country, won't get me."

Ex ore adolescentis. I am not as a rule at a loss for a reply to any undergraduate, bowever ingenious or combative, but this silenced me.

John G. Griffith.
Jesus College,
Oxford.

Vital sectors pay too little

From Mr A. Harris,

Sir,—There is surely a third "camp" in the field of bankers' pay other than tha two described in Michael Dixon's "hornets' nest" (November 28).

There are those of us who feel that the rate of pay for employees in the City hanks is apropriate. It is the pay in the other vital sectors of the economy that is too low.

I have recently been directing a college-employers link project sponsored by the Department of Education and Science. And the view I have expressed above derives in part from that study. The style and intensity of selection for employment in the financial sector, the starting salaries and rewards, in my view, explain at least in part, its strength.

One of the key industries where the rates of remuneration are too low is engineering. The contrasts are significant. Engineering graduates from the universities still tend to hava an inadequate exposure to and appreciation of the industries in which they hope to make their careers. And so their employers bave to provide them with engineering application and appreciation training. Hence there is an initial lack of productivity and henca low remuneration. And the pattern once set, persists.

This vital industry further neglects its life blood, its recruits. Sponsorship for engineering students, vacation work opportunities for undergraduates, compared to other sectors is poor.

Is it surprising therefore that nniversities and polytechnics are reporting that not all the places on offer for engineering studies are taken up? Or that the Engineering Industry Training Board reported that the shortage of trained manpower is now such that the industry's growth is threatened? This repeated threat to the productive manufacturing sector of the economy can be averted. It is in the bands of industry itself.

Ansel Harris,
23 Ferncroft Avenue NW3.

Perpetual evolution

From Mr G. Davis

Sir, — Perhaps you will give one of the associate producers of *A Week in Politics* — one of the footsoldiers, if you like, of Channel Four's current affairs coverage — the opportunity to correct two popular misconceptions to which Godfrey Hodgson gives currency in his third birthday survey (November 30) of the channel.

The first misconception is that there is some inherent distinction between the "commitment to innovation" and the need, particularly (but by no means solely) for current affairs programmes, to have some measure of permanence. In reality, of course, most TV programmes follow an inevitable learning curve. They exist in a state of perpetual evolution, with innovation often becoming possible precisely because longevity permits development.

In the case of *A Week in Politics*, innovation has embraced both matters technical and matters of content. In the week of the Handsworth riot, for example, Peter Jay chaired a studio discussion between three politicians, a social worker and a leading trade unionist, which was anthoritative not only because the programme has gradually built a reputation for intelligent discussion, but also because the visiting participants were black. There is more than one way to fulfil C4's obligation to bring new voices to the screen.

The second misconception is that TV programmes, particularly C4 programmes, are made by people called "producers." Programmes are made by teams of people, with tha executive producer naturally the most pnblic. In the case of *A Week in Politics*, a team of about 20 includes some who have come to TV as specialists from elsewhere, some who have come to C4 from the BBC or ITV companies, all of whom contribute with a high level of skills.

The biggest question mark over the future of C4's factual programming is whether the Charlotte Street mandarins are not being just a little complacent when they assume that there will be a continuing stream of talent prepared to walk away from career structures elsewhere to enjoy the manifest uncertainties of Mr Isaac's permanent revolntion.

Glen Davis.
Brook Productions,
2, Newhurgh Street, W1.

Joining the EMS

From Mr D. MacShane

Sir. — I was amazed to see the treasurer of the Labour Economic Policy Group argue that "the policies we need are those of the 1930s" (November 28). Does be also want tha mass unemployment, repeated Conservative landslides and the drift to war of that decade? Of course not but the economist's habit of arguing through his formula irrespective of the wider political or social framework is well illustrated in his letter.

If Britain was tha most "successful industrial country in the world" 50 years ago might that bave been because Japan and Germany were geared to military production, France was still argicultnrally based, the US confined its economic activity within its large borders and there was still an empire to buy whatever Britain produces?

Now, although we bave bankers, according to another report in this issue, earning £100,000 plus a year I can walk most of the High Streets of Europe and apart from Burberries and Black Label not find a British prodnct to buy.

France has been a member of the EMS since its inception and had as many devaluations as it liked during Mr Mitterrand's troubled reign. So too is Germany where inflation, unemployment, working time are all down while exports and wages are holding up.

Will staying in or out of the EMS help us produce hetter, sellable goods and spend less resources on training the croupiers for world financial roulette? I suspect it will make little difference either way. Devaluation and managed trade may well be necessary to put Britain right hut it will be a reordering of internal economic priorities and doing away with the social structure inhibiting manufacturing performance that are really required. In the meantime, Labour spokesmen having turned from moaning about the 1930s to invoking that decada might stop doing both and start looking and turning all of our eyes to the future.

Denis MacShane.
2 route de Loex,
1213 Geneva, Switzerland

Myopic fund managers

From Mr N. Moore

Sir,—Not a few pension fund investment managers will have allowed themselves a wry smile at the opening paragraphs of Clive Wolman's Lombard column on November 29. Mr David Walker of the Bank of England, we understand, claims that institutional investors "force company managers in concentrate on short-term performance instead of developing long-term strategies."

It is a two-edged argument. Mr Walker might like to reflect on the reasons that institutional investors take an increasingly short-term view which may not be altogether unrelated to the practice of those hard-pressed company managers who call for annual or even quarterly performance data from their pension fund managers.

Sauce for the goose. . . . ?

N. McG Moore.
Caviapen Investments,
60-61, Trafalgar Square, WC2.

Files on voters

From Dr G. Richards

Sir,—I wonder whether all the local political parties using computers in election campaigns (November 30) will have to register under the Data Protection Act so that we shall have access to whatever information the politicians may have recorded by computer on us?

(Dr) Gwilym J. Richards.
85 Oldfield Road,
Altrincham, Cheshire

FINANCIAL TIMES
Thursday December 5 1985

RED FACES OVER POLISH LEADER'S MEETING WITH MITTERRAND

Fabius defends Jaruzelski talks

BY PAUL BETTS IN PARIS

MR LAURENT FABIUS, the French Prime Minister, yesterday defended President François Mitterrand's meeting with General Wojciech Jaruzelski, the Polish leader, at the Elysée Palace.

The meeting has caused a big political controversy in France and has been fiercely opposed by leading French trade unions, with the exception of the pro-Communist CGT labour confederation, by the right-wing opposition parties and by human rights groups. It has also embarrassed the ruling Socialist Party.

Mr Fabius echoed this embarrassment when be acknowledged in the National Assembly that he had been "personally troubled" by the surprise meeting, which was held at Gen Jaruzelski's request.

The Polish leader was clearly pleased with his diplomatic coup. After talks with President Mitterrand lasting 80 minutes, Gen Jaruzelski made a point of addressing journalists to say that the meeting was "very fruitful" and also "very profitable to help develop a detente between the two countries."

Gen Jaruzelski followed his meeting with a boat tour on the Seine, although one *batenu mouche* company refused to let him board one of its boats.

President Mitterrand and the French Government as a whole sought to play down the visit as much as possible. The Government was clearly taken aback by the scale of the protests against the visit, the first time the Polish leader had been received by a leading Western bead of state.

The French Senate suspended its session yesterday morning in protest against the meeting. About 1,000 trade union members, including leaders of the pro-Socialist CFDT union, leading figures from the arts, among them the singer and actor Yves Montand, beld a protest demonstration outside the Polish embassy.

The French branch of the Solidarity union sent President Mitterrand a pair of black paper spectacles, a copy of those worn by the Polish leader, with a note aaying they might prove useful should be decide to meet General Augusto Pinochet of Chile.

President Mitterrand told a Cabinet meeting yesterday, before he left for Martinique and Guadeloupe, that he believed it was normal for there to be relations between two countries like Poland and France and their leaders. in parliament, Mr Fabius said President Mitterrand had made a point of criticising severely the Polish regime's record on human rights and freedoms.

Mr Fabius added that the meeting in no way implied France's approval of the policies and attitudes of the Polish Government.

Gen Jaruzelski said after the meeting that the talks bad given an opportunity for "better understanding" between the two countries and to eliminate "certain misunderstandings." He added that the most important aspect of the meeting was that it had actually taken place.

French public opinion and the main political commeotators were at a loss to explain why President Mitterrand had agreed to see Gen Jaruzelski. They felt that the President had virtually everything to lose, while the Polish leader had everything to gain from the controversial meeting.

UK interest rates 'can fall if pay rises are curbed'

By John Lloyd in London

MR NIGEL LAWSON, the British Chancellor of the Exchequer, yesterday held out an implicit bargain to industry: if pay rises can come down, rates can also come down.

Mr Lawson told the monthly meeting of the Natiooal Economic Development Council that the Government had no direct control over wage increases, but that its first duty was to keep down inflation. If pay rises weot up, he would have to ensure that they did not feed through to rises in the inflation rate.

He said: "If management succeeds in moderating the pace of wage rises, then the prospects for lower interest rates will be much improved – and so will be the prospects for employment."

His response disappointed the Confederation of British Industry, the employers' organisation, which is looking for a cut in interest rates immediately. Sir James Cleminson, the CBI president, said that real interest rates could be as high as 7.5 per cent when inflation fell next year to under 4 per cent. He said the rates must come down with inflation.

Sir Timothy Bevan, chairman of Barclays Bank, said that bankers did not necessarily like high interest rates – they preferred prosperous customers. He said, however, that be supported the Chancellor's aim of keeping down inflation and that he would like to see interest rates come down slowly and steadily.

The outcome of the discussion appears to be that the CBI has accepted that it is on its mettle to get down wage rises – a task many see as a daunting one, in view of the already high and rising wage settlements conceded in a number of sectors and some evidence of rising wage militancy. However, it will continue to press its case for lower rates, expecially during its budget submission to the Chancellor.

Dr James MacFarlane, director general of the Engineering Employers Federation, took the Chancellor angrily to task during the council meeting for not consulting industry on the measure announced in the autumn statement for changing the provision of redundancy payments – estimated to cost industry some £250m ($372m) a year.

Dr MacFarlane said that there had been no reason not to consult industry on this measure, since they were directly affected by it and it had been planned well in advance.

Sir Robert Haslam, chairman of the British Steel Corporation and chairman-elect of the National Coal Board, said that the main aim of exchange rate policy was to get the pound "at the right level" against the DM. He said that he had seen no appreciable change in protectionism in the US market since the Group of Five meeting of finance ministers last month.

Mr David Basnett, general secretary of the General Municipal and Boilermakers Union, said that the CBI and the Trades Union Congress should jointly seek to regulate overtime and working hours.

Economic Viewpoint, Page 15

THE LEX COLUMN

Spreading the mat for Wellcome

Valuing the Wellcome Foundation always looked a devilish business, and it has been made no easier by the group's valedictory results as the largest profit-earner in private hands. Pre-tax profits were up 37 per cent to £121.7m, but second-half progress was a mere shadow of the 65 per cent gain in the six months to February. This was inevitable because of the drift in the dollar that denominates as much as 80 per cent of Wellcome's profits, as well as the extra costs of amalgamating the veterinary business. But with a currency loss already locked in for this year and unrelieved ACT on dividend payments, the market will need to apply a multiple of earnings of Glaxo levels to capitalise Wellcome substantially over £1bn.

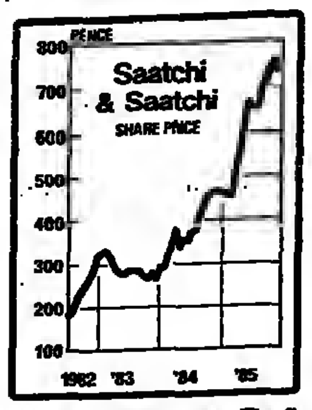
Of course, there is bound to be stock-market respect for such a distinguished, research-based company – and not simply as a home for Beecham funk money. Yet the mainstay of Wellcome's profits remains the Beecham-like antibiotics of the late 1960s, which are fully mature; and the products of a decade later, such as Zovirax, will never stand comparison with Glaxo's Zantac.

In fact, Wellcome's operating margins are about the same now as those of Glaxo six years ago; but this does not mean that some superdrug from fundamental research will actually appear at Wellcome. Improvements are more likely to come from lower costs: after all, R and D expenditure equal to pre-tax profit is not exactly typical of publicly held drugs companies.

Nor should Wellcome be rated simply on the sophistication of its research into anti-viral products and biotechnology. The excitement surrounding Wellcome's Aids preparation says more about the tragedy of the disease than the realistic prospects of a drug at a very early stage of testing. in fact, Wellcome will be coming to the market during a period of consolidation, even if underlying earnings growth should be of the order of the 15 per cent – which suggests a rating between Beecham and Glaxo.

Saatchi & Saatchi

The world's favourite advertising agency is failing to put the message across. Yesterday Saatchi & Saatchi produced results for the year to September well up to everyone's expectations and the share price dropped 20p to 735p. The figures were accompanied by a characteristically upbeat statement about management and prospects, so Saatchi could be forgiven for wondering exactly what it had done wrong.



The shares are currently trading on a historic multiple of only 16 times, which is not much of a premium to the market as a whole and looks simply pedestrian beside the glamour stocks of the advertising sector. The fall from grace is not easy to explain. Yesterday's figures – which showed earnings per share up by 59 per cent – rather give the lie to the notion that Saatchi has run out of growth.

Perhaps it is simply growing too fast. Saatchi's decision to spread itself across the full spectrum of business services has resulted in a bewildering number of acquisitions, many of them financed with paper on cash terms which include deferred payment. Yet the profits growth in the established advertising business – 40 per cent in the latest year – and the margin improvement in the acquired companies suggest that Saatchi's management has not been unduly extended by the pace of change. Nor is the company under any financial pressure. Net tangible assets amount to £74m and there is cash of £128m available for deployment. Perhaps, having failed in London, Saatchi will have better luck on Wall Street, with which it will be communicating by satellite later today.

BOC

Unlike Saatchi & Saatchi, which rarely hedges anything, BOC takes a very active approach to the management of foreign currency risk. And yesterday it was the group's treasury department which emerged as the star of the 1984-85 results. By taking out forward cover against anticipated US dollar cash flow at a rate of $1.16, BOC saved itself around £16m in potential foreign exchange losses.

The current year could see a saving of similar magnitude as the group managed early this year to sell dollars forward at the advantageous rate of $1.09 for delivery in September 1986. But, in the City's eyes, BOC sometimes looks just a touch too sophisticated in matters of accounting and treasury management.

Yesterday, for example, analysts were busily working out what might happen to foreign currency receivables in 1986-87 and how it was that the supplementary depreciation charge had dropped in the final quarter. All of which rather detracted from an excellent performance in the underlying businesses. Carbon and graphite are still losing money – and will only make a decent return on rather fancy exchange rate assumptions – but the health care division has recovered its poise and industrial gases are rewarding BOC's prodigious commitments of capital.

System X

All the signs were that GEC really meant what it said about the merits of acquiring Plessey. Plainly, for GEC shareholders, the least favourable position is to own half the System X capacity; all or none must be better. There must be some question, however, whether the arguments hold with quite so much force for Plessey.

Whereas GEC has all but sufficient cash in hand to finance the purchase of Plessey without recourse to the markets, it is plain that for Plessey to buy GEC's interest in System X would stretch the balance sheet at an awkward time. Even with a share price smartly revived by the attentions of GEC, Plessey might find the institutions less than receptive to an issue of equity to finance such a deal. Moreover, for Plessey to become the sole System X contractor would increase – much more markedly than would be the case for GEC – the concentration of its customer base; a large egg for a single basket. The market's judgment of these risks, as much as anything, is sure to influence the outcome of any bid that GEC or Plessey may actually take.

Lloyd's reviews ex-chief's links

By John Moore in London

AN INFORMAL review of the relationship of Sir Peter Green, the former chairman of the Lloyd's insurance market in the UK, with an offshore company in the Cayman Islands is in progress at Lloyd's.

The review, which has been in progress since the beginning of 1984, has been beaded by a senior accountant at Arthur Andersen and has centred on deals carried out by Sir Peter on behalf of members of Lloyd's whose affairs be looks after with the Imperial Insurance Company (Grand Cayman).

The study was started by Lloyd's after Sir Peter stepped down as chairman at the end of 1983 to concentrate on running his successful underwriting agency. He left the ruling council of Lloyd's at the same time.

Mr fan Hay Davison, chief executive of Lloyd's, said last night: "It is not our policy to comment on matters which may or may not be the subject of investigation at Lloyd's. Only if and when disciplinary proceedings are brought are matters disclosed." Sir Peter Green was unavailable for comment.

During 1983, in accordance with new disclosure proposals introduced at Lloyd's, Sir Peter revealed that substantial sums of tha funds of nearly 1,000 underwriting members, whose affairs his Janson Green underwriting agency looks after, had been passed to Imperial in the course of business.

Sir Peter had a small interest in Imperial of up to 10 per cent, which was held by a discretionary charitable trust. Under the terms of the trust a single partnership farm company owned by Sir Peter could benefit from the shareholding interest.

Sir Peter revealed for the first time in 1983 that up to £34m of the underwriting members' money bad been placed with Imperial, which was first set up in the Bahamas in the 1960s. The money, said Sir Peter, had been placed with the Imperial as a "special funding" policy to provide for large insurance losses.

Ha explained that the funding arrangements with Imperial were part of the underwriting members' reserves which would protect them against large insurance losses. "A large part of the investment earnings," he said, on the funds with Imperial, "were credited to the policy thus increasing its value further."

He told the underwriting members that "a more constructive approach" by the British Inland Revenue "would remove the necessity for these somewbat esoteric policies." He argued that underwriting agents at Lloyd's had difficulty in convincing the Inland Revenue that conventional onshore reserves of the members "are proper reserves and not tax avoidance."

The money with Imperial was brought back onshore in 1983 and used to bolster the underwriting members' reserves

Paris considers alternative to CGE alliance with AT&T

BY PAUL BETTS IN PARIS

THE FRENCH Government is considering a European alternative to the proposed alliance between Compagnie Générale d'Électricité (CGE) and American Telephone and Telegraph (AT&T) to provide the French telecommunications authority with a second supplier of public telephone switches.

The move, which would open the French public telephone switch market to a foreign supplier, is also designed to help rescue Compagnie Générale de Constructions Téléphoniques (CGCT), the troubled ITT subsidiary that was nationalised by the Socialist Government in 1982.

The European alternative to the CGE-AT&T deal would involve Ericsson of Sweden as well as French companies including Matra, the state-controlled electronics and defence group; Jeumont-Schneider, the engineering and telecommunications subsidiary of the privete Empain-Schneider industrial conglomerate; and Bull, the nationalised computer group.

CGCT was asked by the Government to negotiate a series of industrial alliances with European and French groups this autumn after the Socialist administration became less enthusiastic about the CGE-AT&T deal. The proposed alliance between the nationalised CGE group and AT&T would also associate AT&T with CGCT in the production of public telephone switches for the French and export markets and would link CGCT with Philips, AT&T's European partner, in the business and private telecommunications sector.

US efforts to speed up deregulation and liberalisation of telecommunications in Western Europe are likely to come under attack from the European Commission in Brussels today. Commission and US officials are holding a regular, scheduled meeting on telecommunications; but the Europeans have been angered by what they see as US interference in individual EEC member countries. Page 6

CGCT controls 16 per cent of the French public switch market. in return for gaining access to that share of the public market, AT&T agreed to help CGE to market its D-10-S digital switch on the US market as well as setting up a joint venture in the mircowave field, to include Philips as well, and led by CGE.

Although the French Government last summer originally asked CGCT to negotiate with AT&T, it has become increasingly worried by the political and industrial implications of allowing AT&T into the French public switch market. It has also sought to postpone taking the delicate decision on whether to give AT&T the green light or allow CGCT to finalise negotiations with alternative European partners.

The Government is now coming under increasing pressure to decide on the issue. AT&T and CGE originally set themselves a deadline of November 30, to complete their negotiations and bave been pressing for a decision. CGCT also wants a clear signal from the Government because it claims its survival and future development hinge on its ability to ally itself with other industrial partners.

CGCT says it is ready to collaborate with either AT&T and Philips or with other European and French partners. But the company argues that it can no longer wait. CGCT expects to lose FFr 250m ($32.4m) this year after losing FFr 1bn on sales of FFr 2.7bn last year. Although the company's operations have been recovering this year, the Government's hesitation on deciding its future has caused a fall in orders in recent weeks as customers wait to see what happens to the former ITT subsidiary.

ITC snubs tin crisis inquiry

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

THE international Tin Council (ITC) declined to give evidence to the inquiry into the tin crisis by the UK House of Commons cross-party trade and industry committee.

ft is highly unusual for any organisation to turn town a formal invitation from a Commons select committee, which has been given powers to summon both people and papers. But since the members of the ITC bave diplomatic immunity, the MPs bave no power to compel its representatives to appear.

in its reply to the committee, the ITC apparently referred to the fact that it was very husy at present.

The committee, which is chaired by Mr Kenneth Warren, a conservative MP, invited interested organisations to submit written and oral evidence.

Next Wednesday it will take evidence from the London Metal Exchange. The following Wednesday, it is likely to hear from the Department of Trade and Industry. Representatives of some of the creditor banks involved are also expected to be questioned.

The main intention is to clarify in public the background and implications of the tin crisis. If possible, the committee hopes to produce a short report before the beginning of the Christmas parliamentary recess.

Stefan Wagstyl adds: The ITC's claim to diplomatic immunity squares with its argument that it is also legally immune to court action by the creditors, to whom it owes hundreds of millions of pounds. However, the creditor banks and metal brokers believe that this immunity need not apply in commercial matters.

Representatives of the 14 banks and two financial institutions which have made loans to the tin council yesterday attended its emergency meetings on the tin market crisis.

It is understood that views were exchanged, but the discussions did not involve negotiations. The creditors are offering a rescue package but on terms which tin council members bave so far refused to accept.

Commodities, Page 28

US sold $3bn to help push $ lower

Continued from Page 1

monetary authorities were supporting the G5 initiative.

According to Fed estimates, the other G5 participants – France, West Germany, Japan and the UK – sold about $5bn in the six weeks after the meeting while the central banks of the broader G10 group sold more than $2bn. Based on those figures, the US intervention represented about one third of the total $10.2bn which the world's leading central banks spent between the G5 meeting and the end of October to push the dollar lower.

Mr Sam Cross, New York Fed vice president and head of the bank's foreign exchange activities, said yesterday that the level of US intervention represented a "somewhat different" approach by the US monetary authorities which have – for years – followed a policy of only intervening to re-establish calm in "disorderly markets."

Mr Cross said that the dollar began to fall immediately after the G5 meeting – even before the first official intervention began – and confirmed that the Fed first entered tha market on the day after the Sunday G5 announcement to sell dollars and buy yen and D-Marks.

Over the next two weeks he noted that the Japanese central bank was particularly active in selling dollars in an attempt to offset dollar purchases by commercial customers. During the last week of September and the first week in October, the Fed report reveals that the US monetary authorities sold a total of $199m against the D-Mark and $262m against the yen.

Although the dollar fell as a result, the report says that in the next two weeks – beginning October 7 – the dollar came under beavier upward pressure, reflecting strong commercial and investor demand.

Britain set to confirm Unesco withdrawal

By Peter Riddell in London

BRITAIN'S withdrawal from Unesco at the end of this month is expected to be confirmed today unless there is an unexpected change of mind by Mrs Margaret Thatcher, the Prime Minister, and her Cabinet colleagues.

The signs at Westminster last night were that the overseas and defence committee of the Cabinet, to be chaired by Mrs Thatcher, would ratify the statutory 12-month notice of withdrawal made in December last year. The US has already left the 160-member United Nations Education Scientific and Cultural Organisation.

ft is thought that Mrs Thatcher has not been persuaded thet the changes in the organisation in the past year have been sufficient to satisfy Britain's desire for reform.

The decision may not be formally announced until early next week because of ministers' other commitments.

Britain has been urged to reconsider its decision to withdraw by a number of leading Western nations, by Commonwealth countries and by the cross-party foreign affairs committee of the House of Commons.

A small but vocal group of Conservative MPs have also argued that Britain should remain in Unesco, though the majority backed withdrawal.

Abe's appeal, Page 4

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	17	63	Dubrovnik	S	16	61	Malaga	–	—	—	Salzburg	S	12	54
Akrotiri	–	—	—	Faro	S	19	66	Malta	S	19	66	Seoul	S	12	54
Algiers	S	21	70	Florence	C	15	59	Manila	S	30	86	Singapore	F	29	84
Amsterdam	D	11	52	Frankfurt	C	11	52	Miami	C	26	79	Stockholm	C	1	34
Athens	S	19	66	Funchal	F	21	70	Milan	Fg	8	46	Strasbourg	S	12	54
Bahrain	C	28	82	Geneva	F	11	52	Moscow	Sn	-11	12	Sydney	R	19	66
Bangkok	S	33	91	Gibraltar	C	17	63	Munich	S	16	61	Taipei	S	27	81
Barcelona	S	14	57	Guernsey	R	12	54	Nairobi	R	24	75	Tangier	S	19	66
Beirut	C	19	66	Helsinki	Sn	-3	27	Naples	F	15	59	Tehran	–	—	—
Belgrade	S	14	57	H. Kong	S	24	75	New Delhi	S	22	72	Tel Aviv	–	—	—
Berlin	F	11	52	Innsbruck	S	5	41	New York	C	2	36	Tenerife	–	—	—
Biarritz	S	22	72	Inverness	C	8	46	Nice	C	13	55	Tokyo	C	15	59
Blackpool	C	9	48	Istanbul	S	14	57	Oporto	C	17	63	Toronto	C	-3	27
Bordeaux	S	17	63	Jersey	R	11	52	Oslo	C	1	34	Tunis	S	19	66
Brussels	R	11	52	Jo'burg	F	24	75	Paris	S	14	57	Valencia	F	13	55
Budapest	Fg	2	36	Las Palmas	S	25	77	Prague	C	11	52	Venice	–	—	—
B. Aires	S	26	79	Lima	S	21	70	Reykjavik	F	0	32	Vienna	F	4	39
Cairo	S	21	70	Lisbon	S	16	61	Rio de J'o	R	26	79	Warsaw	C	10	50
Cape Town	–	—	—	Locarno	C	7	45	Rome	C	17	63	Zurich	F	11	52
Caracas	R	25	77	London	R	13	55								
Casablanca	C	23	73	Los Angeles	C	21	70								
Copenhagen	C	9	48	Luxembourg	S	9	48								
Corfu	S	19	66	Madrid	S	11	52								
Dublin	C	10	50	Majorca	S	18	64								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Plessey rejects GEC

Continued from Page 1

exchange capacity in service, though the installation rate is due to rise aharply to about 2m lines annually in the next few years.

Plessey is thought by industry analysts to have won so far slightly more BT System X orders than GEC. However, Plessey's System X sales totalled only £69m in the six months to September 27 and its pre-tax profits from telecommunications fell 24 per cent from a year previously to £23.8m.

Charles Batchelor in London writes: Losses outnumbered gains among electronics shares in London yesterday with the sector generally quiet apart from a small number of leading stocks which brokers felt might become involved in Plessey's defence strategy.

GEC fell 10p to 176p. Brokers reacted favourably to the industrial logic of the bid but said the benefits of a merger might take several years to come through. Plessey closed unchanged at 174p

Bridget Bloom, Defence Correspondent, in London writes: The British Defence Ministry is conducting an urgent analysis of the implications of any merger between GEC and Plessey, which are among its dozen largest weapons systems suppliers.

JOBS COLUMN

Need to teach hard facts of working life

BY MICHAEL DIXON

WHAT IS the essential key, by which I mean the absolute sine qua non, to being satisfied in a job?

I ask for two reasons. One is that many readers of this column evidently have enough experience of working life to know what makes the difference between jobs that are satisfying and those which are not. The second is that I am perplexed by a survey published the other day of British youngsters' notions about the years of work ahead of them.

The study covered 3,333 school pupils aged 13 to 18 as well as 1,007 undergraduate students at universities and polytechnics. It was carried out by Opinion Research and Communication for the Committee for Research into Public Attitudes.

What the committee's members find most disturbing about the survey is its finding that, in general, the young people had a low opinion of industry. Even those expecting to end up employed in the wealth-generating sector mostly thought little of its importance to society.

The school pupils in particular viewed industrial managers and workers as making a smaller contribution to the life of the country than doctors and nurses, teachers, the military, civil servants, and farmworkers. The younger group's most frequently cited reason for personally wishing to avoid work in industry was that it is "too routine and boring."

But while such attitudes are worrying in their own right, what bothers me still more is a suspicion that they may be only symptoms of a deeper problem. For the survey suggests that, no matter how sophisticated the rising generation may be in its knowledge of other things, even its older members are largely ignorant of the facts of working life.

Take for instance the university and poly students covered by the survey, the bulk of whom said they were seeking job-satisfaction above all else. Although there were 1,007 undergraduates all told, only 682 had chosen the kind of work they wanted to do and were, therefore, able to give the reasons for their choice.

The most quoted reason, which was mentioned by 45 per cent, was that they were interested in the type of work concerned and thought they would enjoy it. Second came the belief that the job would involve use of the student's degree subject, mentioned by 18 per cent. Next with 12 per cent was the view that the work would present an intellectual challenge.

Only then, in fourth place and mentioned by a mere 10 per cent of the students, came the factor which this column feels is the sine qua non of being satisfied in a job — namely, being good at it.

Although open to correction by readers, I find it hard to see how the essential key to job-satisfaction can be anything else. That is not to deny the value of the factor which the undergraduates ranked first: being interested in and perhaps enjoying the work. But however great a help interest and even enjoyment may be, it seems plain to me that they cannot be of more than secondary importance.

I regularly come across people who are clearly satisfied by a job which depends centrally on their being good at something which they find neither interesting nor enjoyable.

Journalism provides an example. Most journalists I know of are dedicated to their trade. You would be hard pressed to find one who would prefer any other way of making a near living. But you would be still harder pressed to find one who takes the slightest pleasure in the unfortunately sometimes necessary business of sitting down and writing. Hence the motto of our trade: "There's always another quarter of an hour."

But what I have never come across, either in journalism or anywhere else, is a case of somebody being satisfied in a job without being good at it.

So why did the great majority of the undergraduates fail to mention the belief that they would be good at their chosen line of work as at least one of their reasons for picking it?

Part of the answer may lie in the fact that the proportion of students who did mention that factor — 10 per cent — was the same as the proportion who said they had experience in the work of their choice. The main reason why the rest omitted the factor could be that the business of becoming good at a job, as distinct from becoming good at passing examinations and the like, is given no place in the formal educational curriculum.

If so, it is a pity. For the two kinds of ability are far from alike.

A good illustration of the difference has been provided by Bernard Holloway, former chief of careers advice at Manchester University. "Education conditions students to regard a mark of 80 per cent as a remarkably fine performance," he said. "So when they achieve that level of proficiency in some thing they tend to think they are good enough

"But where job skills are concerned, 80 per cent performance is usually nowhere good enough. You have to keep on grafting at the same thing until you can do it pretty well perfectly every time."

Another difference is that some schoolteachers now seem to encourage children to believe that finding something tedious is an adequate reason for ceasing to work at it. But I doubt that anyone can become good at a real-life job without striving at and mastering a lot of "routine and boring" tasks.

Such are the facts of working life. Educational institutions surely ought to start bringing them home to young people well before they graduate at the age of 21.

Far East

TODAY'S first job is in the Far East as Asia region treasury and foreign exchange manager of an American Bank, and is offered through Dudley Edmunds of the Roger Parker Organisation (65, London Wall, London EC2M 5TU; telephone 01-588 2580). Like the other headhunters to be mentioned later, he promises to abide by any applicant's request not to be named to the employer at this stage.

As well as special strengths in the appropriate specialisms, candidates need managerial skills. Far East experience an advantage.

Salary and perks equivalent of US$90,000 or more.

Operations head

ANOTHER American bank, of the investment variety, has asked Martin Krajewski of the Firth Ross Martin consultancy to find a successful operations manager capable of becoming the next operating chief of its expanding London branch. First, however, the recruit will spend a couple of years in understudy roles, including six months at the New York headquarters.

Salary and bonus at least £60,000. Subsidised mortgage and car among other benefits

Inquiries to 59A, London Wall, London EC2M 5TP; tel 01-628 2441.

NOW TO another US-owned organisation which is seeking a group treasurer for its British-based subsidiary through recruiter Dirk Degenhart (4 Priory Gardens, London W4 1TT; tel 01-995 3697). But since the group's business is not banking but industry — including fast moving consumer goods and engineering — the salary indicator is far lower: about £30,000 plus car.

Candidates should already be successful in managing a full range of treasury and taxation work, preferably in a multinational group. Base is southern Home Counties.

Non-executive

LASTLY someone both youthful in approach and old in top-managerial experience is wanted by headhunter Simon Greenly as non-executive chairperson for a £6m-turnover company in the medium technology electronics business which is almost ready to become listed. Headquarters is in Southampton.

Estimated time requirement is 12 to 14 days a year for which the pay will be about £12,000 plus stake in the growth of the share price.

Inquiries to Greenly's, 134 Lots Rd., London SW10 0RJ; tel 01-351 4333, telex 893851 Wrenst G.

City Executive Search

We invite applications from senior search practitioners, or widely experienced bankers and stockbrokers, to lead and develop our long established financial services practice.

Only those capable of commanding substantial earnings and justifying immediate share ownership in the business should reply to:

Nigel Humphreys, Managing Director

TYZACK
& PARTNERS LIMITED

10 Hallam Street, London WIN 6DJ. Telephone: 01-580 2924

Top Executives
earning over £25,000 a year

Can you afford to waste over £2,000 a month in delay? *Minster Executive specialises in solving the* career problems of top executives. The Minster programme, tailored to your individual needs and managed by two or more partners, is your most effective route to those better offers, 75% of which are never advertised.
Our clients have an impressive record of success; many blue chip companies retain our services in the redeployment of their top people.
Telephone or write for a preliminary discussion without obligation—or cost.

MINSTER EXECUTIVE LTD
28 Bolton, Street, London W1Y 8HB. Tel: 01-493 1309/1085

The world's fastest-moving market ... and we're setting the pace

With 100 million shares and £250 million changing hands every day, The Stock Exchange needs administrative support of the highest standard. We already have TALISMAN, one of the biggest computerised systems in the UK and widely acknowledged to be among the most advanced installations of its kind in the world.

FINANCIAL SERVICES PROMOTION & SUPPORT

As the financial sector experiences radical change and Stock Market deregulation approaches, TALISMAN is continually being enhanced and updated. The function of our Marketing and Liaison team is to establish and maintain a two-way channel of communication between Member Firms and the Settlement Services Division. This is achieved by understanding and defining the settlement needs of our members, as well as informing and training all users in new and future TALISMAN developments.

To succeed in this role, you will need to be a highly persuasive communicator, familiar with City practices and able to absorb and disseminate technical information with authority. Good presentation skills and a positive approach will be essential. You must also be a young graduate with at least two years' relevant experience.

If you're flexible enough to thrive in a constantly changing and increasingly competitive environment, your reward will be an attractive salary, supported by generous financial sector benefits including a free season ticket. Promotion prospects are genuinely excellent.

Send your C.V. to Tony Knott, Personnel Manager, Settlement Services Division, The Stock Exchange, Old Broad Street, London EC2 or telephone 01-588 2355 Ext. 26304 for more information and an application form.

The Stock Exchange

GLASGOW DISTRICT COUNCIL
An Equal Opportunity Employer
HOUSING DEPARTMENT

Glasgow District Council is the largest urban housing authority in Western Europe, directly responsible for a stock of 170,000 public sector houses and with extensive involvement in the housing needs of 130,000 customers in other sectors.

The Council is committed to provide a caring and effective service in all aspects of housing, particularly through its network of local offices. It is becoming nationally known and recognised for its innovative approach to the city's major housing problems and for its concern to provide the best possible service.

Due to the previous postholder obtaining a Directorate level post with another major authority, there currently exists a vacancy in the senior management team of the Department.

A committed and experienced professional is sought to fill this challenging post. Candidates must be able to demonstrate the ability to operate at the highest level with Councillors, Central Government, the private sector, other agencies and Council Departments.

CHIEF HOUSING OFFICER (FINANCE)
£17,379 - £19,527

The Chief Housing Officer (Finance) reports straight to the Director of Housing and is a member of the Directorate Management Team.

He/she will be responsible for the planning, organisation, control and management of all financial aspects of the housing service. In 1985/86, despite the cuts, housing revenue expenditure will be £250m and capital investment upwards of £100m.

Creativity and the initiative and skill to maximise our available resources will be a key aspect of the job.

The Officer will be the major financial adviser to the Directorate and to Managers at all operational levels in the Department. In particular, we are anxious to develop further the application of financial expertise to the measurement of performance effectiveness and resource distribution; we have to be sure that all resources are properly deployed to meet our objectives.

Applicants should have extensive financial and senior management experience in the public or private sectors and should hold a recognised professional qualification.

This is a re-advertisement. So far the right person has not approached us. We are sure he/she is out there. Is it you?

If you are interested in applying your financial skills to resolving Glasgow's housing problems and would like to discuss the post informally please telephone John Breslin on 041-227 4479.

All vacancies are open to suitably qualified disabled persons.

Superannuation, sick pay and free life assurance schemes in operation, along with a 35 hour week and flexible working hours. Generous relocation expenses payable in appropriate cases.

Application forms and further details can be obtained by writing to Graham Lindsay, Personnel Officer, Housing Department, Lomond House, 9 George Square, Glasgow G2 1TG, or telephone 041-227 4327/4325. Application forms to be completed and returned by Friday, 20th December, 1985.

PLEASE QUOTE REF: FT/49/85

GLASGOW'S MILES BETTER

Jardines

Jardine Investment Management Limited

SENIOR PORTFOLIO MANAGER

Jardine Investment Management Limited (JIML) is the asset management subsidiary of Matheson and Co., itself the UK holding company within the Jardine Matheson Group. The development of JIML's business has created a career opportunity for a portfolio manager generalist.

The successful applicant should have experience of international equity and fixed interest markets. He or she will report to the Managing Director of JIML and, under the guidance of the investment committee of JIML, will undertake the management of existing individual and institutional portfolios. In addition, he or she will assist in the business development effort and client liaison.

A suitable candidate will probably be in his or her thirties or late twenties. Remuneration is unlikely to be a limiting factor. Candidates should write to:—

The Managing Director,
Jardine Investment Management Limited,
3, St. James's Square, London. SW1Y 4JB.

Corporate Finance Manager

Aylesbury

TARGET
THE TARGET GROUP

c. £25,000 + car + profit share

The Target Group plc is a young and progressive financial services company and a respected name in its field. With an excellent growth record over recent years, it is now looking to its next stage of planned business expansion – flotation and an acquisition programme. This new position will report to the Finance Director and will bring additional creative skills and experience to this process.

We are keen to hear from those with experience in bringing companies to the stock market and in identifying and negotiating acquisitions, ideally in the financial services area. Initially, there are attractive prospects to build a small team including responsibility for the Company Secretarial function. Longer-term career prospects are only limited by proven ability and performance. Candidates should be graduates with entrepreneurial flair, in their late 20s/early 30s, probably with legal, business or accountancy qualifications. Quality car, profit sharing, share options, medical insurance and relocation expenses are part of the highly attractive package on offer.

Please telephone or send full cv, in confidence, to Humphrey Sturt, Ref: AA69/9640/FT.

PA Personnel Services

Executive Search · Selection · Psychometrics · Remuneration & Personnel Consultancy

Hyde Park House, 60a Knightsbridge, London SW1X 7LE.
Tel: 01-235 6060 Telex: 27874

Financial/Business Analyst

W. Middx. **Salary to £16,000**

Our client's vision of the future is of a high-technology world in which they will continue to set the highest standards in business communications.

To make their vision a reality, they are committed to invest in several key individuals who must be able to respond rapidly to a demanding and fast moving market place.

To meet the challenges of these high profile positions you should be aged 22-29, a graduate possibly with supplementary qualifications in Business Studies, Economics, or Accountancy, and be familiar with mainframe and micro systems.

Ideally you should have experience of working in a financially orientated environment and possess highly developed analytical and interpersonal skills. The ability to work effectively within a self-motivated, highly pressurised and dynamic team is paramount and career prospects for the ambitious and commercially astute candidate will be excellent.

To find out more please telephone or write to Shubha Chawla quoting Ref: SC 044.

Lloyd Chapman Associates
International Search and Selection
160 New Bond Street, London W1Y 0HR
Telephone: 01-408 1670

Hongkong International Trade Finance Limited

Business/Marketing Executives

Hongkong International Trade Finance Limited is the trade finance arm of The HongkongBank Group. Due to expansion, we are seeking two high calibre marketing and business development executives aged 25 to 35.

The individual(s) concerned must have proven experience in international banking or trade finance and should preferably have capability in one or more European languages. We would expect candidates to have travelled overseas on trade finance related business as part of their career development to date and to be experienced in all aspects of risk assessment.

An attractive salary is offered.

Applications with full C.V., which will be treated in strict confidence, should be addressed to Mr. C. E. Fiddian-Green, Hongkong International Trade Finance Limited, Wardley House, 7 Devonshire Square, London EC2M 4HN.

Merrill Lynch International Bank

Senior Credit Analyst

Merrill Lynch International Bank is expanding its treasury, foreign exchange, trade finance and securities lending activities. This growth requires the addition of an experienced international credit analyst to support the marketing groups. Reporting to the Senior Credit Officer, responsibilitiea will include the completion of credit proposals and legal documentation with customer contact as may be required. There is significant scope for career development within the credit or marketing areas.

The successful applicant should have a degree and a minimum of 5 years credit-related experience. US Bank credit training and fluency in a foreign language will be an advantage. A highly competitive compensation package will be offered.

Please write giving details of your career to date to:
Keith Robinson, Recruitment Manager,
Merrill Lynch Europe Ltd., 27 Finsbury Square,
London EC2A 1AQ.

Merrill Lynch

A Career in Investment Management?

The development of our Fund management business requires additional expertise in the fixed interest and currency markets. The successful applicant will be expected to contribute to the Fixed Interest team formulating economic and market analysis and assisting in managing client portfolios.

He or she will have a good degree, at least 1–2 years experience in an investment or banking environment and be in the age range 22–26.

This is a challenging opportunity for the right candidate and a competitive package will be offered. Foreign & Colonial Management Group is one of the oldest and best established investment groups in the City of London. With over £1,300 million under management the Group manages the portfolios of investment trusts, unit trusts, pension funds, charities and private clients.

Apply in confidence to Adam Parkin, Foreign & Colonial Management Limited, 1 Laurence Pountney Hill, London EC4. (Tel: 01-623 4680).

Foreign&Colonial
MANAGEMENT GROUP

RESEARCH IN MACROECONOMIC MODELLING AND FORECASTING

The Economic and Social Research Council, acting on behalf of the Macroeconomic Modelling and Forecasting Consortium which consists of HM Treasury, the Bank of England and the ESRC, invites applications for research projects in, or directly related to macroeconomic modelling of the UK economy. Eligibility is restricted to established academic or independent institute researchers. Support will be offered from October 1987 for a maximum of four years.

The deadline for formal submissions is Friday 21 February, 1986. Guidelines to applicants and further information can be obtained from Christies Hadjimatheou.

The Economic and Social Research Council will be located at 1 Temple Avenue, London EC4Y 0BD, tel: 01-353 5252 until 1 January 1986, applications should thereafter be sent to 160 Great Portland Street, London W1N 6DT, tel: 01-637 1499.

ESRC ECONOMIC AND SOCIAL RESEARCH COUNCIL

CAREER CRISIS AHEAD?

If you have the skill and determination to sell consultancy services especially in relation to the Data Protection Act, then we would like to hear from you. Age and status immaterial. CV to:

VICKERS ENGINEERING (SERVICES) LTD
information technology and structural engineering consultants
College House
Wrights Lane, Kensington
London W8 5SH

APPOINTMENTS ADVERTISING APPEARS EVERY THURSDAY
For further information contact
LOUISE HUNTER
on
01-248 4864

Jonathan Wren

Financial Director £50,000 Package

The highly successful sales-aid leasing subsidiary of a Major equipment manufacturer, which has achieved substantial growth in terms of both profit and turnover during the last five years, is currently seeking a self-motivated entrepreneurial FCA, with leasing experience, to take up an immediate full Board appointment. As well as overseeing the financial function, the appointee will be jointly responsible with the Managing Director for the overall operational and strategic direction of the Company. In addition, there will be a heavy involvement with the marketing of both the Company and its products.

A substantial profit related bonus and other excellent benefits are included in the remuneration package plus a quality motor car.

Contact Peter Haynes or Brian Gooch.

General Manager Salary Negotiable

A versatile Senior International Banker, aged 40 plus, is sought by this Licensed Deposit Taker in London W1 to assume the role of General Manager. Acceptability to the Bank of England is essential, coupled with a complete understanding of all International Banking procedures from an operational point of view. The successful applicant will show many years at a Senior Executive level in London. The position will control and run the entire banking operation, which is biased towards Private Clients business.

Contact Richard Meredith or Trevor Williams

ACA / Investment Banking Neg £20-25,000

Plus bonus

The Investment Banking arm of a Major US Bank is currently seeking an ACA who possesses a knowledge of banking, taxation and excellent communication skills. The successful appointee will form part of a highly professional team, responsible for taxation advice, statutory accounting, budgeting and strategic planning, as well as a number of special research projects specifically relating to new financial Investment Banking products. The benefits package will include a bonus of around 20-50% of salary, company car, mortgage, etc.

Contact Brian Gooch or Peter Haynes.
Telephone 01-623 1266
All applications will be treated in strict confidence.

SYDNEY — HONG KONG

Jonathan Wren
Recruitment Consultants
170 Bishopsgate, London EC2M 4LX. Tel: 01-623 1266

LIECHTENSTEIN (U.K.) LIMITED
Licensed Deposit Taker

CHIEF ACCOUNTANT

Liechtenstein (U.K.) Limited, a licensed deposit taker, wishes to recruit a Chief Accountant. Duties will include maintenance of the Company's financial records, preparation of monthly and annual accounts, Bank of England and V.A.T. returns and day-to-day supervision of the settlements and computer areas. The Company has an IBM 38 with IBIS software.

Liechtenstein (U.K.) Limited is a wholly-owned subsidiary of Bank in Liechtenstein AG, a long-established European private bank with a good reputation, particularly in asset management, which, over the past few years, has established subsidiaries in Zürich, Frankfurt and New York as well as London.

The remuneration package includes those benefits normally expected of a senior position in the City. Apply, in the first instance, with a copy of your curriculum vitae, to the Chief Operating Officer, Liechtenstein (U.K.) Limited, 1 Devonshire Square, London EC2M 4UJ.

WHOLLY-OWNED SUBSIDIARY OF BANK IN LIECHTENSTEIN, A.G.

Account Officer

UK Corporate Lending

Neg. Salary
+ Car + Mortgage Subsidy

We are seeking a further Account Officer to join the Marketing team in our Lending Division at Assistant Manager level.

You will take over some existing accounts, but more important you will be responsible for the development of new business in the small to medium UK Corporate Sector.

The successful candidate will be graduate calibre and have at least three years marketing experience in the UK Corporate Sector and possess good credit experience.

Salary will be negotiable according to age and experience. In addition we offer a range of benefits which include a company car, mortgage subsidy, pension and life assurance and private medical cover.

Please write in confidence with full career details to:

John Newman
Associate Director
The Royal Trust Company of Canada
Royal Trust House
48-50 Cannon Street
London EC4N 6LD.

ROYAL TRUST

Cambridge Corporate Consultants Limited

Personnel Division

European Controller

c.£25k+quality car SW1

Our client is a high profile American subsidiary based in Chelsea, a leader in the exciting and expanding field of relational databases. This expansion has created a new post for a qualified and experienced chartered accountant to build a team which will develop and control the financial/management systems. The ideal candidate will be a decision-maker, aged 30-40, able to communicate, experienced in finance, administrative systems and management, and a user of computer technology. Training will be provided in California. Experience of business/international law or as a company secretary would be a valuable asset. Career prospects could lead to a directorship.

For confidential discussion, telephone Dr. Ray Adams on 0223-313791 (day) or 0223-276590 (evenings) or write to me at Cambridge Corporate Consultants Limited, 7 Green Street, Cambridge CB2 3JU.

RTI
Relational Technology

Administration Director

Up to £25,000 + car + benefits

Tollemache and Cobbold Breweries Ltd. are well known and run a vigorous and profitable brewing wholesale and retail business from their IPSWICH base.

To service their growing organisation they wish to appoint an Administration Director who will be a member of the Operating Board and report directly to the Managing Director.

Whilst embracing normal administrative and secretarial activities such as organising and servicing Main Board and the Operating Management Meetings and being responsible for pensions, insurance and licensing, there are main commitments which cover legal (contracts, commercial law and statutory obligations), administration (filing and registry systems, correspondence and security), property (rent reviews, leasing, acquisition and valuation) and personnel including union negotiations and industrial tribunals.

The person appointed could have been a Chartered Accountant or Secretary with indepth applied legal, personnel and industrial relations experience. Equally a trained Lawyer (or qualified) with many years of commercial experience outside the practice could fill the post.

In this progressive company the successful candidate is most likely to be in the 35 to 45 age bracket.

Men and women are invited to write in strict confidence to P. W. WATSON, Managing Director, Tollemache & Cobbold Breweries Ltd., P.O. Box No. 5, Cliff Brewery, Ipswich, Suffolk, IP3 0AZ, quoting reference 426.

THE FURTHER AHEAD YOU CAN THINK

Our Computer Services Division is a market leader in the UK and is one of Europe's principal information security and control organisations. We've grown by allowing our consultants to realise their potential. One area in which we have been particularly successful is in the financial services sector. Only consultants of the highest quality will enable us to maintain our growth.

EXPERTS IN BANKING SYSTEMS

You may be a consultant, banker or DP professional with a wide understanding of banking systems and experience of a major banking package. Perhaps you have been involved in selecting and implementing a system for a bank, an LDT or the Treasury Department of a major organisation.

Your work will be varied and stimulating. It will include assessing clients' system requirements, selecting and implementing the most appropriate package and a wide range of other high profile assignments.

You must have the ability to communicate to all levels of management.

This is a demanding position which will be well rewarded. Your salary of up to £25,000 plus car will be boosted by a career path limited only by your own ambition and ability. You will be adding to the specialist skills of a division of more than 150 consultants and the resources of one of the leading accountancy and consultancy firms.

Return to Eddy Peers, National Computer Services Recruitment Partner, Deloitte Haskins & Sells, 128 Queen Victoria Street, London EC4P 4JX.

☐ Please send more information about Deloittes' Computer Services Division.

☐ I am enclosing my up-to-date CV and would appreciate an early appointment.

NAME ____________________

ADDRESS ____________________

EIS-FT

Deloitte Haskins+Sells

THE FURTHER WE LET YOU GO

MIKE POPE & DAVID PATTEN PARTNERSHIP

BANKING RECRUITMENT SPECIALISTS

2nd Floor
Bank Chambers
214 Bishopsgate
London EC2M 4PX

Interest Rate Swaps Dealer (for Tokyo)	to £20,000
Senior Accounts Supervisor (25-33)	to £17,000
Marketing Officer Spanish Speaking (under 30)	to £15,000
Loans Admin. Senior	to £15,000
Eurobond Settlements Clerks	to £15,000
Graduate Credit Analysts	to £14,000
Junior FX Dealer (23-26)	to £13,000
Credit Analyst	to £12,000
Advances Officers (24-27) AIB	to £12,000

Please contact Mike Pope at: 01-247 8314

HongkongBank Limited

Assistant Director

International Energy Department

A career opportunity for an ambitious Banker with energy and project lending experience.

HongkongBank Limited is the European Merchant Banking arm of the HongkongBank Group and its Energy Department is responsible for the International Energy Lending. Recent business expansion, including consolidation of Group activities in London, has created growth in the Department's level of activity. To cater for this increased activity and further opportunities, we now seek an additional Assistant Director.

We invite applications from candidates who have substantial banking experience including not less than five years in the field of energy lending. In particular, good project lending capability is required and a proven track record will be essential. The ability to exercise strong entrepreneurial and creative skills within a team environment will be key to this excellent career development opportunity.

A market competitive total benefits package is available based on experience and quality of the candidate.

Please write enclosing full personal and career details which will be treated in strict confidence to: C. E. Fiddian-Green, HongkongBank Limited, Wardley House, 7 Devonshire Square, London EC2M 4HN.

STRATEGIC PLANNING MANAGER

c £25,000 — **International Banking**

Standard Chartered Bank is one of Britain's major international banks, with gross assets exceeding £26,000 million and more than 2000 offices in over 60 countries.

We wish to recruit an experienced Strategic Planning Manager to join the Asia Pacific Department in our Group Headquarters in Bishopsgata.

This new post will be *responsibla* lor ensuring that *strategic business* planning carried out within tha areas that comprise tha Asia Pacific Region, in regard to Annual. Strategic, Special Project and Corporate Plans, are collatad and analysed to produce an Annual *Regional Plan. The job will include* liaison with our other Haadquarters Departments and *outsida companies to ensure that full advantage* is taken of product and systems development *(Data Processing and* Information Systems) *and that user requirements are expeditiously* reviewed and met in support of product delivery.

The *ideal candidate* will be aged 30-35 yaars, will have a relevant professional qualification, preferably an MBA, and experience of mainframe computer configurations. A comprehensive understanding *of Strategic Business Planning* related to product delivery, servicing and pricing gained in *a multi-national corporate environment* is essential.

Salary will be c.£25,000 plus a car and the usual generous banking benefits. There will be the opportunity for overseas travel.

Please apply, with a comprehensive c.v., to Jean Collins, Assistant Manager, *U.K. Personnel Services,* Standard Chartered Bank, 38 Bishopsgate, London EC2N 4DE.

Standard Chartered

CJA

RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374 Fax No. 01-638 9216

First Class opportunity for an ambitious and self motivated banker. Prospects for considerably increased earnings and advancement in the support or sales functions.

CJRA

MARKETING/TRANSACTION SUPPORT

Netherlands, Eire, Middle East, Africa

CITY — **FROM c.£15,000**

FAST GROWING INTERNATIONAL MERCHANT BANKING ARM OF MAJOR DIVERSIFIED US BANKING GROUP

We invite applications from candidates, in their mid to late 20'a who must have had at least 2 years' demanding commercial and/or international banking experience with UK or other European corporate clients. A knowledge of Capital Markets products will be an advantage. *The primary role of the selected candidate,* who will report to and work closely with two New Business executives, will be to support their marketing activities through: planning: identifying potential clients; analysis in a strongly transaction orientated business; liaising with Capital Markets specialists and visiting clients. *Key personal attributes are an entrepreneurial attitude,* self motivation, numeracy and above all those qualities required to build confidence quickly with clients. Initial performance related compensation c.£15,000, plus a full range of generous fringe benefits. Appropriate costs relating to relocation to *London* will be covered. Applications in strict confidence under reference MTS/17334/FT will be forwarded unopened to our client unless included in a list of companies to which they should not be sent in a covering letter marked for the attention of the Security Manager.

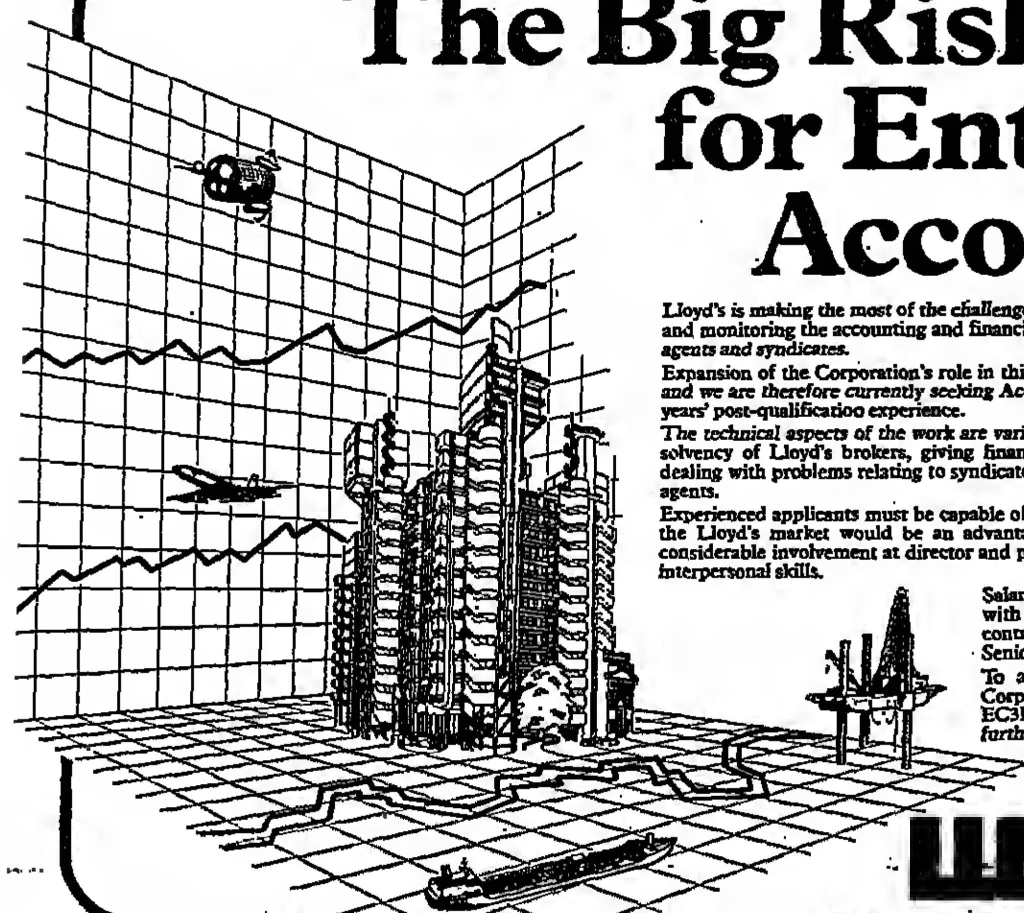
CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON EC2M 1NH.

PROMOTING INVESTMENTS AND FINANCIAL SERVICES INTERNATIONALLY

I have considerable experience in marketing to clients all over the world and would like to hear from merchant banks and investment institutions who generate and service international business.

Please write Box A 9196, Financial Times, 10 Cannon Street, London, EC4P 4BY.

The Big Risk Business for Enterprising Accountants



Lloyd's is making the most of the *challenge of self* regulation. *This means* major *commitment to developing* and monitoring the accounting and financial requirements to be observed by Lloyd's brokers, underwriting *agents and syndicates.*

Expansion of the Corporation's role in this area has created the need for additional accountancy expertise, *and we are therefore currently seeking Accountants at all levels from newly qualified to those with several* years' post-qualificatioo experience.

The technical aspects of the work are varied and challenging. They include monitoring and analysing the solvency of Lloyd's brokers, giving financial advice on the re-registration of underwriting agents, and dealing with problems relating to syndicate premium income levels and the financial status of underwriting agents.

Experienced applicants must be capable of working at Assistant Manager level, and although knowledge of the Lloyd's market would be an advantage, it is not essential. These are high profile positions with considerable involvement at director and partner level within the Lloyd's market, requiring well developed interpersonal skills.

Salaries will be extremely attractive in the range £17,000 – £24,000, with a comprehensive range of benefits including bonus, non-contributory pension, private medical cover and restaurant facilities. Senior positions carry a company car.

To apply, please send full CV to: The Personnel Department, Corporation of Lloyd's, London House, 6 London Street, London EC3R 7AB, or telephone Alan Thomas, on 01-623 7100 ext. 4326 for *further details.*

LLOYD'S OF LONDON

TREASURER

Building Society – Derbyshire

Circa £17,500 + CAR + BENEFITS

The Derbyshire is one of the largest regional societies in the Country with assets of £600 million and a network of 56 branches based mainly in the Midlands.

This is a senior management appointment within our Finance Division; first established some two years ago, and plays an increasingly important role in contributing to the profitability of the society.

The main responsibilities will be the management of the Society's liquid funds in excess of £100m, and also of our rapidly expanding wholesale funding requirements now approaching £50m. Therefore, we require someone with relevant experience and expertise in both these areas – not necessarily with a building society.

As the successful applicant will also be expected to make a positive contribution to other areas of the Society's financial operations, it is important that an understanding and an interest in accountancy functions can be demonstrated.

We would expect applicants to be aged 28-45 years, possess a relevant professional qualification, be self-motivating, and have the ability to think on a strategic level. Communication and staff management skills are essential.

The anticipated new legislation covering the operation of building societies will certainly offer new challenges, and in addition, we can offer the usual benefits including a staff mortgage scheme and a fine working environment in the countryside.

Applicants should write direct to Peter McMillan, Personnel and Administration Manager, marked "Treasurer – Confidential," enclosing a full C.V.

Derbyshire Building Society, Duffield Hall, Duffield, Derby DE5 1AG

The Derbyshire BUILDING SOCIETY

APPOINTMENTS ADVERTISING appear every THURSDAY contact TREVOR PUNT on 01-236 9763

CORPORATE TREASURY CONSULTANTS

London — **Up to £30,000 + Car**

We are looking for suitably qualified staff to join the growing corporate treasury consulting group within our management consultancy. The work entails advising our industrial and commercial clients on a wide range of treasury matters including domestic and international cash management, foreign exchange policy, financing arrangements, bank relationships and treasury systems. The work is varied and challenging and long term prospects with the firm are excellent.

Applicants should have a degree or professional qualification and must have spent several years working in corporate treasury.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2342 to M.R.Hurton.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

TORONTO DOMINION BANK

INTERNATIONAL BANKING OFFICERS

The Toronto-Dominion Bank is one of the longer established overseas international banks in the City. We have strong representation in the United Kingdom and most of the world markets.

As part of our continuing management development programme in London, we wish to recruit three university graduates with at least two years' experience in international banking.

The successful candidates will be assigned initially to one of our account *management groups in London for training and development* in *Credit Analysis* and Marketing. Following exposure to our corporate banking activities, both in the UK and in Canada, a challenging appointment will subsequently be provided in London.

Preference will be given to individuals who are fully mobile and who possess second language skills ideally French or German.

Salaries will be based on the candidates' qualificationa and experience and our benefits package is fully competitive with the financial sector.

Please write including full details of your career to date to: Mr. J. W. Green, Manager, Human Resources, The Toronto-Dominion Bank, Triton Court, 14/18 Finsbury Square, London EC2A 1DB.

TD

Leicester Polytechnic

Deputy Director/ Director Designate

The Governing Body invites applications for the above post vacant from 1st September 1986. Tha present Director will retire on 31st August 1987 and the person appointed will be appointed Director from 1st September 1987.

Candidates should have appropriate academic qualifications and management experiance in higher education/research/ industry/commerce/professions in order to lead a large highly successful institution into the 1990s.

Salary: Group 12 Institution.

Particulars etc. from: Tha Secretary and Clerk to the Governing Body, P.O. Box 143, Leicester LE1 9BH.

Closing date for receipt of application forms: 31st December 1985.

EQUAL OPPORTUNITIES POLICY:
Applications are welcome from suitably qualified and/or experienced people regardless of race, ethnic origin, religion, sex, marital status or disability.

GROUP BUSINESS CONTROLLER

required by

Aguecheek

A rapidly expanding High Fashiou end Retail Group, which includes the top names in Fashion, requires a Group Business Controller to work closely with the Managing Director and the preseut Accouuts Department. The position offers *considerubly wider responsibility* than lest financial pluuniug and accouuting uud, iu particular, thu successful upplicant will be dealing with the commercial aspects of the Group, including Business Development and the financiul supervision of the Retail outlets and their Managers/Manageresses. *An individual with a strong personality*, e flexible approach and suitable financiel background is needed. Experience in the Retail sector is desirable but not essential.

The *remuneration packag for this senior position* will be commensurate with experience and qualifications.

Please reply wi h full C.V. to:—

Mrs J. Lainchbury
2 Smi** Street
London SW3 4EE

All replies will be treated in the stricted c nfidence.

EFHutton

LONDON CONTROLLER

E.F. Hutton is a major US financial services group whose main operations cover the International Equities, Commodities and Capital markets. Formidable growth has been enjoyed by the London Office, both in *volume and profitability,* over recent years.

A promotion has now created the opportunity of joining this fast expanding operation. Within this challenging environment the London Controller is seen as an integral member of the managemant team.

Job responsibilities for the London group of companies (including Commodity and Eurobond trading, Retail and Institutional broking) encompass the supervision and development of all aspects of management and financial accounting, *systems* and reporting.

Ideally candidates will be qualified accountants, in their late 20's, with exposure to the financial services sector and/or US reporting procedures.

Tha position carries a substantial remuneration package including a company car and attractive bonus scheme and offers excellent career prospects both in the UK and US.

Please reply in confidence to Philip Griffiths – retained axclusively as shortlisting consultant - contact details as below.

HUDSON SHRIBMAN
The complete financial selection service
College Hill Chambers, 23 College Hill, London EC4R 2RT. Tel: 01 248 7851/8 (24 hours)

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

European Controller

High technology capital equipment
Berkshire, c. £20,000, profit share, car

The company sells and services high-value electronic systems manufactured by its Californian parent. Tha excellence of tha product is reflected in tha corporation's outstanding financial performance, and rapid davalopmant has created this new position. Reporting to the General Manager Europe, the successful candidate will be responsibla for the total financial management of European operations, with a considarabla influence on the overall *direction of the company.* Candidates, graduates aged 27–35, *must be* qualified accountants or MBAs, with a strong technical bias to their academic or business careers. Experiance of European accounting systems and/or fluency in French or German would be of special interest. First-class communications skills must be complemented by confidence, initiativa and a flexible approach to the job. Significant overseas traval will be required. A comprehensive benefits package includes a generous shara purchase *scheme, and there are prospects* for *career progression in Europe or the* USA.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history *form* to S.P. *Spindler,* **Hoggett Bowers plc,** 36 High Street, Eton, **WINDSOR,** *SL4 6BD,* **0753 850851,** quoting *Ref: 24029/FT.*

CONSULTANT FOR BANKING SERVICES

I am currently looking for a traiuee to join the permanent *placement* team iu this small *independent consultancy.* You will receivu a first class training, also have thu opportunity to do the professional qualificatiou und work in a busy end stimulating environment with bright, confident, outgoing people. If this eppeals to you and you have a *degree* or two A Levels plus 2 years work experience, pluuse send me some persoual details and I will contact you by phone or letter by return ol post. Sheila Jones

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS
01-588 3991

Appointments Wanted

SENIOR INVESTMENT RESEACHER FUND MANAGER

Over 15 years' experience in London and overseas
Specialist in mining and financial shares
Rated Analyst with leading U.S. Institutions

Write Box T6263, Financial Times
10 Cannon Street, London EC4P 4BY

Head of Trading

A New Opportunity

Salary: Competitive and Negotiable

The London based merchant banking subsidiary of a US commercial bank is looking for an ambitious professional for a challenging new position in its recently established Capital Markets Division.

Reporting directly to the Head of this group the role encompasses the formulation of trading policies and the development of a small team, combining experienced traders with new entrants.

Previous trading experience may have been in a variety of currencies and sectors, although a knowledge of fixed rate Eurodollars will be essential to service the bank's domestic client base. In time further profitable trading areas will be developed according to the successful candidate's own specialisation and those of the team established.

This is an excellent opportunity for an individual looking for a new challenge and possessing the ability to demonstrate his/her flair and leadership skills in a start-up situation.

In the first instance applicants should contact **Sally Poppleton on 01-404 5751** or write to her at 39/41 Parker Street, London WC2B 5LH.

MP

Michael Page City

International Recruitment Consultants—London Brussels New York Sydney

A member of the Addison Page PLC group

Decision Support

ACCOUNTANTS, M.B.A.s and I.T. SPECIALISTS

Management Consultancy

City based **£16 - £30,000 + car**

The Competitive Advantage...

"It is hard to underestimate the strategic importance of the new information technology... every company must understand the broad effects and implications of the new technology and how it can create substantial and sustainable competitive advantages". —Harvard Business Review August 1985.

Coopers & Lybrand Associates are implementing major Decision Support Systems in European companies who are now leaders in the use of Information Technology. Using information as a resource, the companies are gaining substantial competitive advantage.

To develop DSS, C & L have established a group of specialists with the most up-to-date skills in Business Management, and Decision Making and Information Technology. They use state of the art Decision Support products in close collaboration with the world's major hardware and software suppliers. Working with industry leaders all over the world, they develop and implement sophisticated cost affective I.T. solutions for decision makers - providing that ingredient vital to success in business - competitive advantange.

Coopers & Lybrand Associates are the largest and fastest growing Management Consultancy in the U.K. They now seek qualified professionals with sound business experience and the initiative and personal motivation to help them build on their successes in the rapidly developing area of Decision Support. **Aged between 25 and 35, with a minimum of four years experience in your field and a highly professional approach, you may be an Accountant or business manager involved in the application of IT to business problems, or a Computer specialist currently working in Decision Support, information centre, or database technology.**

You will be encouraged to take an active part in the growth and development of what is arguably the foremost professional firm in the world - an organisation within which the opportunities for personal achievement are quite outstanding, and which will enable you to gain for yourself that most valuable of assets - the competitive advantage.

To discuss, contact Patrick Jackson, in strictest confidence, on the number below, or on Newick (082572) 3694 evenings and weekends. Alternatively send a brief career history quoting ST3006.

BL Barry Latchford Associates Tel. (01) 629 7594

10, Sedley Place, Mayfair, London W1R 1HG

TRUSTEE EXECUTIVES

£11,000-£16,500 pa · Central London

Attractive benefits • Including Mortgage Subsidy • Excellent prospects

The Prudential Group, the largest investment organisation and one of the most powerful financial forces in the country, also acts separately as trustee for public and private loan and debenture stock issues, private trust funds and similar matters.

This work is handled by a professional department and covers a wide range of trustee responsibilities in the corporate finance field as well as most aspects of the work of executors and trustees under wills and settlements.

A need has now arisen to strengthen the existing executive team and we are looking for young specialists preferably (though not necessarily) qualified and probably in their mid 20's to mid 30's who can show us a good background of experience in corporate trustee work and/or executorship duties.

There are excellent opportunities for career development within the Group. Initially salaries are negotiable depending on qualifications and experience and in addition a range of benefits are offered which include low interest mortgage, non-contributory pension scheme, flexible working hours and sports and recreational facilities.

Please write enclosing full CV to: Eileen Brown, Personnel Officer, Prudential Assurance Co. Ltd., 142 Holborn Bars, London EC1N 2NH or telephone her for an application form on 01-405 9222 ext. 2568.

Prudential

ACCOUNTANT (ACA)

Leading International Bank is seeking a person, probably mid-late 20's, to assist in the further development and maintenance of its well-established accounting and management reporting systems. Candidates must be qualified and either have current, direct banking experience or have gained auditing exposure within international banking. An attractive salary package, including mortgage subsidy is available.

CREDIT OFFICER

Respected International Bank has a challenging opportunity for an ambitious and professional banker, ideally 24-30, to fill a new marketing support position. Candidates must have at least two years credit analysis experience, sound credit judgement and the potential to develop marketing skills in an expanding environment.

F/X DEALER

An opportunity with a Leading International Bank for a person, mid-late 20's, with the ability to progress swiftly to Senior Dealer status. Candidates must be able to demonstrate sound experience of both FX and Deposit trading and also display man-management potential. Interested persons are invited to contact us in confidence to discuss the position.

MARKETING (SYNDICATIONS)

Continued rapid expansion by a leading European Bank has created this exciting new position for a banker to join a progressive syndications and asset sales section. Candidates, probably mid-late 20's and ideally graduates, must already have 2-3 years experience of marketing to banks and display the ability to function in a high-growth environment.

CREDIT & MARKETING OFFICER

Well-established Bank, active in a wide range of Syndicated Loan and Capital Market facilities is seeking a person, probably 25-30, to assist a Senior Manager in marketing the Bank's services to corporate clients and overseas governments. Candidates must already have some exposure to the marketing role, supplemented by a solid credit background, plus strong inter-personnel skills.

UK MARKETING OFFICER

This new position, with the well-established London Branch of a respected International Bank calls for a person, mid-late 20's and ideally a graduate, who has UK marketing experience within a bank, plus the flair and personality to advance swiftly in the Bank's UK and Ireland section – an area of rapid growth. A solid career opening where an attractive salary and benefits package is being offered.

Our current assignments also include ...

Auditor (ACA)	c£17,000
Cable Dealer	c£18,000
Credit Analyst	to £15,000
Documentation Off.	c£15,000
Eurobond Settlements	to £18,000
FRN Trader	c£25,000
LIFFE Trader	£Neg
Mkt Asst. (S. Europe)	to £19,000
Money Mkt. Dlr.	£Neg
Sterling Snr. Dealer	to £25,000
Trade Finance	to £20,000
Warrants Trader	£ Neg

Skeels Associates

Bank Recruitment Consultants

2 London Wall Buildings
London Wall London EC2M 5PP
Tel: 01-588 2081

ROYWEST TRUST, ISLE OF MAN

PORTFOLIO MANAGER

RoyWest Trust, a leading international bank and trust company has a vacancy in the Isle of Man for a Portfolio Manager. The successful applicant should have experience in international bonds/equities and a degree or an equivalent would be an added advantage. Assets managed are multicurrency and applicants must be able to manage international portfolios on their own initiative. The job to be filled offers a very attractive salary and benefits package, which includes a pension plan, medical and life insurance.

The RoyWest Group is associated with National Westminster Bank PLC and The Royal Bank of Canada Group.

Write to C. R. Middleton, RoyWest Trust Corporation (Isle of Man) Ltd., 33 Athol Street, Douglas, Isle of Man or telephone (0624) 27124.

Investment Marketing Executive

SEVENOAKS, KENT

We are a leading international mutual life insurance and pensions group, with assets in excess of £7,000 million. Swiss Life Pensions Ltd., a successful company within the group, based in Sevenoaks, provides the fund management services on behalf of our UK pension fund clients.

Due to continued expansion we are now seeking an additional Investment Marketing Executive to keep the group's pension fund clients fully informed about the progress of their investments. Responsibilities will include the preparation of informative investment reports, the presentation of investment policies to clients, and monitoring developments in the financial services industry.

The successful candidate will have several years marketing experience in the financial services sector and will have a demonstrable ability to express an understanding of the economy and investment markets. Relevant financial or insurance qualifications would be an advantage.

This is an important position in the company and the attractive remuneration package will include an assisted mortgage.

Please write or telephone for an application form to:

Mrs. S. Clifton.
Swiss Life Pensions Ltd.
Swiss Life House, 99-101 London Road
Sevenoaks, Kent TN13 1AX
Tel: (0732) 450161

A member of the Swiss Life Group

Swiss Life

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Senior Merchant Banking Opportunities

Major Merchant Bank
Midlands and North of England,
up to £45,000, car, banking benefits

Our client is a major, expanding merchant bank who wish to recruit one or two high calibre executives to make a substantial contribution to the development of their business in the Regions. We are looking for either merchant bankers or experienced industrialists who feel they have something to offer in these areas of banking. Bankers could be generalists or specialist in either corporate advice or finance, including development capital. Candidates, who will probably be 30 years of age or more, should be graduates or professionally qualified in accountancy, banking or law. They must have sound, high level local contects, be respected in the business community, have presence and above avarage communication skills. Experienced candidates will probably be working in merchant banks, stockbrokers, accounting or legal firms, or in the finance function of industrial companies. In all cases, the ability to market the bank's services is of paramount importance.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a personal history form to *J.R. Featherstone*, Hoggett Bowers plc, *7 Lisbon Square*, **LEEDS**, *LS1 4LZ*, **0532 448661**, quoting *Ref: 12343/FT*.

Group Taxation Manager

Circa £25,000 + car

The Polygram Group in the UK (turnover £100 million) is involved in the manufacture and marketing of records, cassettes, compact discs and videos.

Reporting to the Finance Director responsibilities will include group planning, reorganisations and computations.

Applicants (male/female) should possess recognised accounting or taxation qualifications with wide exposure in the corporate tax field and some experience of personal tax and VAT. Personal qualities required are a practical approach, rapid problem solving ability and good communication skills.

Benefits include Company car, annual bonus, 5 weeks holiday, medical insurance and free Company products.

Write, enclosing detailed CV, to Tony Preedy, Director of Personnel, Polygram Leisure Limited, 15 Saint George Street, London W1R 9DE.

polyGram

NORSK HYDRO

FINANCE MANAGER

Norsk Hydro Oil & Gas — Twickenham

Part of a well known group whose interests cover many countries and several industries, our clients have a substantial investment in the exploration and development of oil and gas resources in Europe.

Group policy is to apply the highest standards wherever they operate and to set ambitious growth targets. They already hold numerous licences on the UK shelf and will continue to expand their UK based activities.

We would like to hear from candidates for appointment as Head of the Finance Department, based in Twickenham, with responsibility for: leading the finance team, participating in the identification and negotiation of expansion opportunities; economic evaluation of exploration, development and acquisitions; financial reporting and budgeting.

Qualifications should include an MBA or equivalent and the successful candidate, probably aged 28-38, is likely to have substantial experience of the financial evaluation of oil/gas investment projects.

Remuneration is targeted to be in the order of £25K-£30K but is negotiable according to qualifications and experience. Car and other large company benefits. Please send your CV to Terry Turner if you wish to explore. No names passed on without permission.

TERRY TURNER & COMPANY LIMITED
RECRUITMENT & MANAGEMENT CONSULTANTS
The White House, Market Place, Chalfont St Peter, Bucks. SL9 9HF. Tel: 0753 886601.

GEC FINANCE LTD

ASSISTANT TO MANAGING DIRECTOR

Unique opportunity in corporate finance
Age 27-35

GEC Finance Limited is GEC's new finance company established to invest part of GEC's surplus cash resources and build up a customer financing capability for GEC companies around the world.

The Managing Director is seeking an assistant to be a key member of his small executive team. Based in central London, the successful applicant will be exposed to a wide range of financial techniques and instruments, both domestic and international, including investment and credit analysis, capital market instruments, swap and option contracts, customer finance, and vendor leasing.

Applicants should be chartered accountants and/or hold an MBA. At present, they may be with a commercial, merchant or investment bank, or with a major accountancy practice, or in a corporate treasury department.

The competitive remuneration package includes a negotiable base salary plus discretionary bonus, company car and pension. Please send a brief cv in confidence to The Managing Director, GEC Finance Ltd, 132 Long Acre, London WC2E 9AH.

GREEN COFFEE TRADER

London coffee merchants require physical coffee trader to manage distribution to European markets. Applicants should be aged 30-40 with experience of producing countries and the trade in general. Basic salary of up to £20,000 plus attractive package of benefits.

Write with curriculum vitae to Box No. FT958
St. James's House, 4/7 Red Lion Court, London EC4A 3EB

Two new, senior management roles.

Call them what you will, they both mean business.

The basic dimensions of Thames Water make it unusual among public utilities.

Last year, for example, we made a revenue income of £500M yield a heartening £104M profit.

But if the scale of our operation makes us unusual, the commercially minded way we go about our business makes us unique.

We're not going to forget that our first task is to supply 11½ million people (more than any other water undertaking in the world) with life's most essential commodity. But there's a growing awareness throughout our organisation that we're also very much in business – that we have products and services that need to be marketed, assets that need to be exploited, profits that need to be made.

And even without the prospect of privatisation, our shift towards a thoroughly commercial way of thinking and acting is now irreversible.

These two newly created roles, each with a significant marketing dimension, show how far we've come.

They also show just how far the right men or women could still lead us – and themselves.

Maximising the return from joint ventures
c. £22.5K plus Car and BUPA

Joint ventures have a lot to offer us (and the organisations with whom we collaborate) and our first successful steps in this field prove that we can cast our eyes way beyond the shores of the UK in our search for partners.

With the upward trend in this side of our business, we now need a Joint Venture Manager who can help select and evaluate suitable partners; work closely with other departments to produce satisfactory partnership agreements, and keep a watching brief over joint ventures once they're up and running, to ensure that they satisfy both commercial and policy objectives.

You'd need to be completely at home with the nuts and bolts of company acquisition, the setting up of joint ventures, and with franchise schemes – including all the detailed legal requirements.

Commercial Manager for the marketing department
c. £20K plus Car and BUPA

The fact that we have a fully developed marketing department speaks volumes about the way we're changing.

Your job would be to help to prepare and present its budgets, helping devise pricing structures on the whole commercial viability of a wide range of contracts. There will be a need to liaise closely with finance, legal and personnel departments.

You'd need to combine close familiarity with contracts, patent agreements and other legal requirements with a high degree of numeracy.

Business-minded lawyers or legally aware accountants?

We're aware that these are unusual appointments for us, even these days. So we're remaining open-minded about the precise qualifications and experience of the people we talk to. But in all our discussions about these roles, two profiles emerged – that of a qualified accountant with experience of the commercial world, particularly in its aspects we've outlined; and a lawyer who has had similar "hands-on" experience of business and commerce.

We're convinced that enthusiasm for change and the ability to get things done will be prominent characteristics of the men and women we choose. We're equally convinced that they'll have a lot going for them in an environment where getting things done doesn't mean swimming against the tide, if you'll pardon the metaphor.

If you are interested please send a copy of your C.V. to: Richard Marshall, General Manager Personnel, Thames Water, King's Meadow House, c/o Nugent House, Vastern Road, Reading, Berks RG1 8DB.

Thames Water

RUNNING WATER FOR YOU

NMB BANK

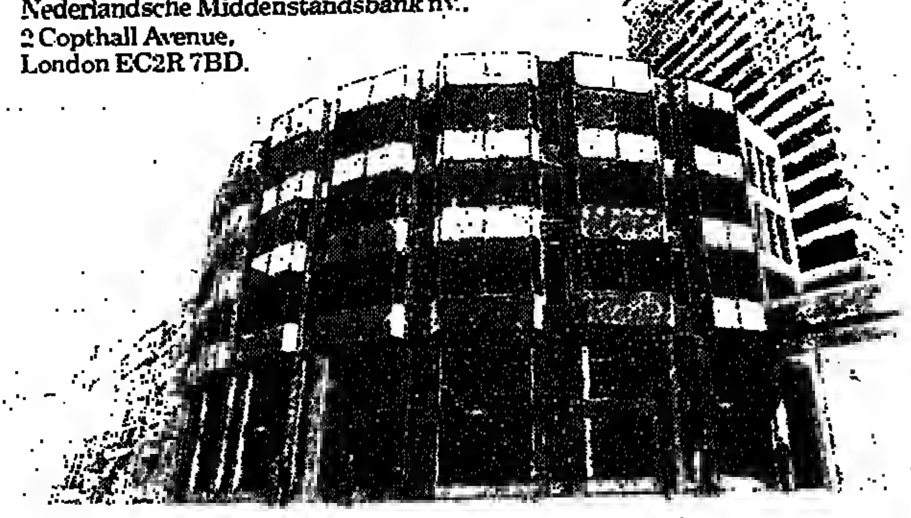
Dealers
London

The continuing expansion of NMB's established London Branch means we are looking for a Spot Dollar/Sterling Dealer, as well as an FRA/Financial Futures Dealer, both aged between 23-27 and with at least three years' of relevant experience behind them.

A mature personality and a keen sense of humour would be advantageous.

The remuneration package will include, among other benefits, a competitive salary and free season ticket.

Replies with an up-to-date CV, indicating how your own career might be satisfied by this appointment to: Mrs. Judith Heard, Nederlandsche Middenstandsbank nv., 2 Copthall Avenue, London EC2R 7BD.



Mitsubishi Finance International Limited

CORPORATE FINANCE EXECUTIVE
INTERNATIONAL CAPITAL MARKETS

As a result of our recent growth and continued expansion, we are seeking to enlarge our Corporate Finance Group.

The candidate should have several years experience in coverage of either North American or European clients, and specific product knowledge that encompasses straight debt issues, FRNs and swaps. The successful candidate will be responsible for the origination, marketing and negotiation of these capital markets products.

Remuneration is commensurate with experience and includes a competitive range of banking benefits.

Please write to:
David Spencer
Company Secretary
Mitsubishi Finance International Limited
1, King Street, London EC2V 8EB

FINANCIAL ANALYST
European Treasury

Here at Air Products – a world leader in the supply of industrial gases – our European Treasury department plays an important role in our continuing success.

European Treasury consists of three sections – Analysis, Operations and Insurance. The first of these is concerned with a wide range of tasks including source and use of funds projections, financial analysts of company reports and accounts, and the management of the assets of the company's pension schemes. It is in this section that a challenging career appointment has arisen for an ambitious Financial Analyst.

The man or woman we're seeking will probably be aged between 25-30, with sound "hands on" experience and, ideally, a business related degree or an accounting qualification. Certainly, he or she will have a strong interest in capital markets in general and the London stockmarket in particular.

The post commands an excellent salary plus a generous benefits package.

To find out more about us, this major career move and your prospects with a progressive, expanding organisation, please write to: Jeremy Addison, Air Products Limited, Hersham Place, Molesey Road, Walton-on-Thames, Surrey KT12 4RZ.

AIR PRODUCTS

Investment Accountant / Administrator
SEVENOAKS, KENT

We are a leading international mutual life insurance and pensions group, with assets in excess of £7,000 million. Swiss Life Pensions Ltd., a successful company within the group, based in Sevenoaks, provides the fund management services on behalf of our UK pension fund clients.

Due to expansion the need has now arisen for an Investment Accountant/Administrator reporting to the Investment Manager. The successful candidate's responsibilities will include a section of the administration and accounting for our managed funds; to be a responsible member of the team developing the internal computerised systems and for the preparation of management reports and annual accounts.

We are seeking candidates who are either Investment Administrators or qualified Accountants with relevant experience in financial services.

This is a challenging position in the company and the attractive remuneration package will include an assisted mortgage.

Please write or telephone for an application form to:

Mrs. S. Clifton,
Swiss Life Pensions Ltd.
Swiss Life House, 99-101 London Road
Sevenoaks, Kent TN13 1AX
Tel: (0732) 450161

A member of the Swiss Life Group

Swiss Life

Salaried Sales Careers

London Life is continuing its ambitious programme of planned expansion.

Founded in 1806, we are a mutual company, well established as a market leader with a record of growth in the expanding life assurance and pensions field and a full range of high quality products. We have a high reputation for professional service and integrity and are one of the very few companies to pay no commission.

Our expansion has created further career opportunities in the City of London and throughout the UK. We need people, men and women between about 25 and 50, who can aspire to high standards of professional service yet show the vital quality of personal commitment to success in a selling career. Good presentation, a sound education and a habit of achievement are important but the key qualities are enthusiasm, determination and strong communication skills.

We have a demanding selection procedure, but if you can meet our requirements, we can offer you a five figure benefits package of salary, annual bonus, non-contributory pension and life assurance, mortgage assistance and company car.

We will give you a thorough and professional initial training followed by a career development programme. It is a secure career with the opportunity of personal growth based on performance and the satisfaction of achievement in a socially vital service with one of the most respected companies in the field.

It is not an easy job and we are not promising instant wealth and success – these depend on your drive and determination. But we can provide the opportunity. Are you equal to the challenge? Contact me and we will see if you meet our requirements.

LL London Life

Jeremy Iles, FIPM (ref: FT).
Sales Personnel Manager.
The London Life Association Ltd.
100 Temple Street, Bristol BS1 6EA.
Tel: (0272) 279179.

COMPANY SECRETARY

We are a diversified group, family owned, comprising largely autonomous divisions and subsidiaries, whose activities range from the printed paperboard and plastics packaging industries to the manufacture and marketing of fast-moving branded consumer products. Total sales are in excess of £70 million.

Applicants should be an ACIS and hold an LLB or equivalent degree. They will have a proven track record with a strong commercial approach. Experience will have been gained in the company secretariat function of a medium to large sized company. An ability to communicate effectively is essential.

Reporting to the Chairman, prime responsibilities will include involvement in all legal affairs of the company and the administration of patents, insurances and the pension fund.

Legal work will include trading agreements, acquisitions, employment protection law and general company law.

An excellent salary and attractive fringe benefits commensurate with a senior position in a major company are offered.

Suitably qualified persons should send a full C.V. to:

The Chairman, Robinson & Sons Ltd., Wheat Bridge, Chesterfield, Derbyshire S40 2AD. Tel: (0246) 31101.

Robinsons of Chesterfield

SHEPHERD, LITTLE & WEBSTER LTD.,
Banking Recruitment Consultants

STERLING DEALER — to £20,000

Prime name bank seeks an experienced Sterling Dealer to cover all aspects of the sterling markets. A minimum of three years in a similar capacity is required of applicants who should be in the age range of 25/35 years.

Please contact Paul Trumble

TRAINEE FRN TRADER

A rare opportunity is offered to a recently qualified mathematics graduate by an international Merchant Bank.

Candidates are expected to be bright, highly numerate, and able to cope with the pressures of a high powered trading environment.

Please contact Brenda Shepherd

Ridgway House, 41/42 King William Street
London EC4R 9EN – 626 1161

STOCKBROKING
JAPANESE RESEARCH TRANSLATOR

A firm of U.K. stockbrokers is seeking for its City Office a Senior Equity/Economics Research Co-ordinator and Translator for its business with Japanese clients in Europe. Fluency in Japanese and English and a comprehensive understanding of business relations with Japanese financial institutions is essential as is experience of the U.K. market.

Applications will be forwarded direct to our client. Please send a comprehensive career resumé, including salary history and day-time telephone number, and indicating any companies to whom you do not wish to apply, quoting ref: 2341 to W.L. Tait, Executive Selection Division.

Touche Ross
The Business Partners
Hill House, 1 Little New Street, London EC4A 3TR. Tel. 01-353 8011

SHORT DATE GILTS

A well known stockbrokers is seeking to increase its Gilts team. 1-2 years experience is necessary.

F.R.N. SALES — £ NEG.
Is required to join an active Eurobond Team expanding their sales force.

EURONOTE DEALER — £ NEG.
A Dollar Deposit Dealer with experience in Dollar CDs or familiar with similar liability funding instruments is being actively sought by a leading international bank.

EUROBOND DEALER — £ NEG.
A dealer with 1-2 years experience in the Yen, DM or Swiss bonds is being urgently sought by an international bank.

PROJECT FINANCE EXECUTIVE — £ NEG.
This is a recently created position in a leading merchant bank who are seeking an experienced technician in trade and project related financing.

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS
109 OLD BROAD STREET LONDON EC2N 1AP — 01-588 3991

ENTREPRENEUR WITH FLAIR REQUIRED TO EXPLOIT GROWTH OPPORTUNITIES AT HOME AND ABROAD FOR HEATING MATERIALS.

TRADING MANAGER

Argos Building and Heating Supplies, a sister company to Harp Heating, wishes to appoint a Trading Manager to expand activities in the heating materials supply market operating from the best equipped central heating warehouse in the South East, particularly for the distribution of a foreign combination boiler and foreign-sourced heating materials taken in container loads.

The job carries potential director status with a salary negotiable from £15,000 up to £25,000 (depending on experience) + car, BUPA, pension & life cover.

The successful applicant will be an ambitious self-starter and go-getter who can 'deal' at all levels.

Candidates must expect to demonstrate their natural trading skills at interview.

Telephone or write for an application form to the Personnel Manager, Mrs Moira Crudgington, Argos Building & Heating Supplies Ltd., Goldsel Road, Swanley, Kent BR8 8EX. Telephone: Swanley (0322) 65522.

ARGOS BUILDING & HEATING SUPPLIES

An international Financial Services organisation requires the following staff for its London offices, situated in the West End.

FINANCIAL OFFICER

The successful candidate will be involved in all aspects of asset management including the supervision of existing investments.

Applicants must have a minimum of 10 years' experience in a merchant banking or stockbroking environment with a knowledge of UK and US equity and bond markets.

FINANCIAL ASSISTANT

A recently qualified economics or business studies honours graduate is required to assist management in financial matters relating to the business. The position requires someone who is good with figures and has the ability to write and express himself clearly. Knowledge of computers would be an advantage.

For both the above positions the salary will be determined according to the age and experience of the individuals concerned.

Please apply in writing, including a full c.v., to Box T6266, Financial Times, 10 Cannon Street, London EC4P 4BY

REGIONAL AMERICAN BANK

seeks to further its market presence by appointing a

SENIOR SPOT DEALER

The successful candidate will demonstrate an ability to make a major contribution in a small, professional team. An attractive remuneration package will be offered, reflecting the responsibility of the position.

Please reply enclosing c.v. to Box T6258, Financial Times, 10 Cannon Street, London EC4P 4BY

GILT EDGED – ACCOUNT EXECUTIVE

Leading member firm of Stockbrokers with substantial outside shareholders requires an experienced Account Executive to join an established gilt edged and allied markets team, servicing their institutional clients.

It is not this firm's intention to be market-makers. This appointment will carry an attractive salary together with profit sharing, and there is a non-contributory pension scheme.

Please write, giving age and full details of experience to: Box T6261, Financial Times, 10 Cannon Street, London EC4P 4BY.

Just because you are out of a job doesn't mean there isn't a job out there for you!

Many people assume that it is impossible to find "the right job for me."

It's so natural to maintain a blinkered view of your own potential that it's hardly surprising if you fail to achieve your true potential.

Chusid Lander can change all that.

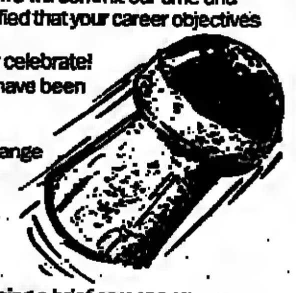
We are a group of specialist career consultants whose sole function is to guide executives and professional people to achieve their personal and financial ambitions.

We guarantee that we will commit our time and effort until you are satisfied that your career objectives have been realised.

Then you can really celebrate!

For thirty years we have been striving for the best.

Now it's your turn!



Telephone us to arrange a confidential personal assessment without obligation, or write to:

The Administrator,
Ref C1/12/2
35/37 Fitzroy Street,
London W1P 5AF enclosing a brief career summary.

LONDON 01-580 6771
BIRMINGHAM 021-643 8102
BRISTOL 0272 22367
MANCHESTER 061-228 0089
NOTTINGHAM 0949 37911
GLASGOW 041-332 1502
BELFAST 0232 621824

CHUSID LANDER

Manager of Information Services

Management Consulting

McKinsey & Company, Inc., wishes to recruit a Manager of Information Services for its London Office. The individual would preferably have an honours degree in Library and Information Science, or have a good honours degree with considerable experience in information services. The person should have experience with database computer systems (use, evaluation of new systems); should demonstrate capability to assess inhouse database systems and specify improvements; and should be at ease in a swiftly moving, deadline oriented, environment. The position therefore will require experienced management skills not just in the day to day operating management of the department but also to ensure its development to meet the challenges of new technology and the needs of a fast growing business.

McKinsey is the preeminent management consulting firm in the U.K. and throughout the world. We specialize in advising the top managements of leading companies on important strategic, organizational and operational issues. Our aim is to work closely with our clients to help them make and sustain significant improvements in performance. The Firm continues to expand in all areas of operation.

If you are interested in this position and consider you have the necessary qualifications, please send a complete C.V. in the first instance to:

Judy Farquharson Limited
47 New Bond Street, London W1Y 9HA
Tel: 01-493 8824

JFL **McKinsey & Company**

MAJOR EUROPEAN BANK WITH EXTENSIVE WORLDWIDE NETWORK INVITES APPLICATIONS FOR THE FOLLOWING POSITIONS

Manager-Financial Institutions

An experienced professional, well educated, interested to take responsibility for developing business with a range of banking and investment institutions is needed to create a new team. The post requires a comprehensive knowledge of financial institutions.
This is a senior position. It will involve liaison with colleagues in Paris and other financial centres and an ability to exploit the opportunities which occur in the financial and investment environments.
Generous remuneration plus the usual benefits.

Investment Officer

The bank is seeking an active person with research/sales experience to promote the London Stock Market to Continental institutions. Applicants, ideally aged 25-35 and fluent in French, should have a strong personality to maintain existing contacts and expand clients' base. The post offers good career prospects.
All applications will be treated in the strictest confidence.

Write Box T6269, Financial Times
10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Stockbrokers

Has your firm been acquired by a bank?

Are you satisfied with the prospect of becoming a bank employee?

If this prospect does not attract you, and you have flair and confidence in your ability to develop your business, our clients can offer you:

- up to 50% return commission
- access to highly advanced back office systems for executing your business
- the support of an independent, well capitalised and rapidly expanding private client firm.

If you would like to find out more, contact David Robinson of Spicer and Pegler Associates, Friary Court, 65 Crutched Friars, London EC3N 2NP, (480 7766) for a confidential discussion.

Spicer and Pegler Associates
Management Services

GOLDMAN SACHS INTERNATIONAL GROUP

LONDON

Funding Manager

Applications are invited for a position as funding manager for our international businesses. Prime responsibility will be to raise finance and to borrow securities to cover short positions, particularly for our gilt edged market making activities. This post will involve close liaison with our traders, salespeople and our financing staff in New York. We run one of the more extensive positions in the market. The successful candidate should have a background in financing and money dealing or funding with either a Bank Treasury Department or a Discount House or previous experience with a Stock Exchange Money Broker.
Applications, including full details, should be sent in strict confidence to:

Manager International Treasury
Goldman Sachs International Corp
5 Old Bailey
London
EC4M 7AH

Goldman Sachs
Uncommon capability

Financial Assistant

The Financial Controller of an international group involved in trading and investment banking operations requires a chartered accountant with five to 10 years' post-qualification experience in a commercial or banking organisation to act as his assistant.
The work will include the preparation of consolidated accounts, continual monitoring of the accounts and budgets of the companies within the group and some travel for internal audit purposes.
Salary will be commensurate with the age and experience of the applicant.
Applications should be made in writing and should be sent, with a full curriculum vitae, to:

Box T6267, Financial Times
10 Cannon Street, London EC4P 4BY

LAS INVESTMENT MANAGEMENT LTD

As a result of the continuing growth of funds under management, LAS Investment Management Ltd seeks to appoint

2 ASSISTANT PORTFOLIO MANAGERS

one to work on the UK and one on the overseas markets.
The position would suite applicants with 2 or 3 years experience in a fund management environment who are capable of showing initiative and judgement and taking early responsibility. An attractive remuneration package is offered together with the opportunity to progress in a fast growing company.
Applications in writing enclosing full C.V. to:

J. Innes
Staff Manager
LAS Group
19 George Street
Edinburgh EH2 2YH

The LAS Group

HESELTINE MOSS & CO.

Members of The Stock Exchange

CORPORATE FINANCE

We are looking to recruit one or two corporate finance executives. It is important that candidates should have relevant experience of handling flotations of smaller companies.

Please contact:

The Corporate Finance Department
Lawrence House, 3-4 Trump Street, London EC2

Ref: M.L

Financial Accountant

North Sea Oil Exploration and Production

Occidental International Oil Inc, a major producer of North Sea Oil, is offering an opportunity for a young and ambitious qualified Financial Accountant to join our London Head Office.

You should have a mature approach and possess a sound knowledge of both US and UK accounting principles with a background involving advanced computer accounting methods. Experience at head office level within the oil business would obviously be an advantage.

As part of our team you will find that initiative and hard work will be well rewarded. We are offering a highly competitive salary together with all of the benefits expected of an international company.

Please write in confidence giving brief career and personal details to: Miss J Cornelius, Occidental International Oil Inc, 16 Palace Street, London SW1E 5BQ.

OXY

Financial/Management Accountant

Ambitious young accountant for interesting commercial role

Neg. £15,000 + car — London

Our client is a leading fashion retailer and substantial subsidiary of a major international group.

Reporting directly to the Financial Director, in addition to normal accounting duties, prime responsibility will be for the development of management information systems and to contribute generally to the company's commercial decision making.

Aged 25 to 35, you will be a qualified accountant with experience of computerised accounting, enjoy working under your own initiative and be able to demonstrate well developed man management/communications skills.

The role presents a development opportunity with significant career prospects within The Group.

Please write with full details. These will be forwarded direct to our client. List separately any companies to whom your application should not be sent. Lorraine Pullan ref. B. 2258.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Australasia and Asia Pacific.

HAY-MSL
CONFIDENTIAL ADVERTISING

FINANCIAL DIRECTOR

South London — £ fully negotiable

Our client is one of the world's best known manufacturers of anti-corrosion, sealing and waterproofing products.

The imminent retirement of the present Financial Director has created the need for a dynamic financial executive to take his place. Reporting to the M.D., the person appointed will advise the Board on strategic financial planning with particular attention to maximising return on capital; will manage the company secretarial and accounting functions and upgrade existing systems, computerising where appropriate.

Candidates should hold a recognised accounting qualification and have experience of financial management in manufacturing industry. They must be thoroughly versed in the preparation and interpretation of financial and management accounts, together with detailed experience of costing, cash and credit control, and development and use of computers.

Remuneration is for discussion over £26K and the package will include a car, an excellent profit share arrangement, and relocation costs if needed.

Please write or telephone for written background information and/or informal discussion to Peter Nielsen quoting Ref No. G461.

Grosvenor International
Search & Selection, 359/361 Euston Road, London NW1 3AW. Tel: 01-387 6667.

Finance Director (Designate)

City — From £25K + Car

Rapid, but controlled and profitable growth has been the hallmark of our client's business, which is concerned with specialist corporate communications.

Development of business planning and management information systems, a continuing policy of organised growth and acquisition of suitable companies are all parts of the company's strategic plan, which will lead to an early public flotation.

Professional financial expertise at Board level is now required to follow through and assist with the implementation of the above plans. The Director Designate will clearly play a significant role in the future development of the Company.

The successful candidate will have the technical expertise and familiarisation with the City to develop effective systems in preparation for the flotation. In addition, the qualified accountant, who is likely to be aged 30-40, will have had previous involvement with the Communications business (e.g. advertising, PR, publishing).

The salary and benefits package is highly competitive. For the right candidate, participation in the equity will be negotiable.

Please reply in confidence giving relevant career, personal and salary details quoting reference (LM96) to Ann E Bourne, Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London, EC3N 2NP.

Spicer and Pegler Associates
Management Services

Young Financial Accountant

MANNESMANN
ENGINEERS & CONTRACTORS

Hammersmith — **to £18,000**

Mannesmann Engineers & Contractors Limited are the UK subsidiary of one of the world's largest engineering conglomerates. They are expanding their activities in the environmental engineering and process fields. They need a young Financial Accountant who, reporting to the Managing Director, will provide the full finance function for the company. Responsibilities will include financial and management accounts, cost analysis, W.I.P., budgeting, forecasting and credit analysis/control.

Applicants will ideally be aged under 32, ACMA/ACCA with experience in project and contract accounting. The company offers a full range of benefits and a clearly identified career path.

Candidates should, in the first instance, write in confidence enclosing CV to Nigel Lilley at CKL Management Services Limited, 299 Oxford Street, London W1R 1LA.

FINANCIAL DIRECTOR

FMCG/Food Processing — SE Midlands

This £30 million turnover food processing and distribution company is up-dating its machinery, its techniques, its image and above all its people.

Career opportunities are considerable for the FD both within the company and within the parent group, which is a big and growing name in food supply in the UK.

Candidates, male or female, should be chartered accountants or MBA, probably in their 30s. Experience in food processing will be an advantage. A strong contribution will be expected in conventional accounting and DP development, together with a positive general management input.

Salary will be negotiable to around £25,000 with car, health insurance and the opportunity for bonus and share options.

Please send career details – in confidence – to D. A. Ravenscroft.

Ravenscroft & Partners
Search and Selection
20 Albert Square, Manchester M2 5PE

Accountancy Appointments

COMPUTER AUDIT RESEARCH & DEVELOPMENT MANAGER

London **to £25,000 Neg + Car**

Touche Ross & Co, one of the world's largest accountancy firms, has 22 offices and employs over 2,300 people in the UK.

Due to internal progression, we need to recruit an experienced computer auditor for our National Accounting and Auditing department to take responsibility for:

- the development of computer audit products, procedures and technical publications;
- participating in reviewing the development of computer audit procedures in other Touche Ross offices;
- participating in technical training.

Applicants should have:

- a sound knowledge of accounting and auditing;
- the ability to communicate with non-DP professionals;
- significant data processing experience;
- significant computer audit experience;
- some experience of the design and implementation of new computer audit techniques.

This is a senior appointment requiring applicants of high calibre and career opportunities are excellent.

Applicants, who need not be chartered accountants, will probably come from professional accounting firms or internal audit departments, although applicants from other areas will be considered.

Please send a full career résumé with salary history and a statement of how you meet the specification, quoting reference N200, to Tim Heselwood at the address below.

Touche Ross
The Business Partners
Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

Divisional Financial Controller

Diploma P.L.C. is a very successful group of largely autonomous companies (turnover £90 million, profit £15 million) operating in electronic components distribution, steel stockholding, steel lintel manufacture and other fields.

We are seeking an ambitious young accountant to join our small head office team to (a) be responsible to the group financial director for the management information systems and accounting standards of a group of our subsidiaries and (b) provide accounting support to subsidiaries' management for development and expansion.

The successful candidate is likely to be a graduate qualified accountant with several years' experience in idustry including installation or development of computing system, aged 25 to 35 and willing to travel.

An attractive remuneration package, including a car, is available.

For further details please write with c.v. to:

A. M. R. Parkinson, F.C.A., Director, Diploma P.L.C.
20 Bunhill Row, London EC1Y 8LP

An exceptional future in Computer Audit

Opportunities with Arthur Andersen's growing practice

London up to £20,000 + car

We are committed to a planned programme of expansion in this growing business area, and our priority is to recruit a number of ambitious, high calibre individuals who intend to use their creativity, technical skills and professionalism to better career advantage.

You should be a Chartered Accountant with computer audit experience gained either within a major company or a professional practice. You will have the ability to:

* Solve complex problems and contribute to new software development.
* Provide crucial expertise to the audit process on a diverse range of assignments.
* Market our computer-related services.

You will have the opportunity to stay aware of the latest computer audit techniques together with development of the use of microcomputers to obtain greater audit efficiency.

We offer high rewards and rapid career development and you can be sure of progressing as far as your talent and commitment dictate.

Please apply in writing, with a detailed CV and our reference number clearly marked on the envelope to: David Ashton, Partner-in-Charge, Computers in Audit, (ref: 1822), Arthur Andersen & Co., 1 Surrey Street, London WC2R 2PS.

ARTHUR ANDERSEN &CO.

Project/Systems Accountant

W. London **c£20,000 benefits + car**

Our client is an international leader in the creation, marketing and installation of major management support software for large IBM data centres. The company has created spectacular growth worldwide; outside the US this has been generated by the London headquarters with the full commitment of the US parent.

The current requirement is for a qualified accountant with experience of systems based on major mainframe accounting packages, gained within or outside the profession. His or her main task will be to develop the company's accounting and reporting systems to serve the continuing growth requirements of the US parent company, the international headquarters in West London and local operating units. Systems are currently mainly micro-based but are being transferred to an IBM mainframe. In addition the position will involve financial analysis and special projects. The successful applicant will be aged 28-35 years and will be qualified as an ACA or ACCA. Long term career prospects are exceptional within this dynamic and rapidly growing group.

Candidates should contact Geoffrey Rutland ACA, ATII, Executive Division, enclosing a comprehensive c.v., quoting ref. 291, at Michael Page Partnership, 39-41 Parker Street, London WC2B 5LH.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney
A member of the Addison Page PLC group

Appointments Wanted

FCCA

Former partner in major international accounting firm has recently taken early retirement. Based for past 23 years in South America, has fluent spoken and written Spanish. Seeks position (not necessarily financially orientated) in Spain or Portugal from early 1986

Tel: 01-870 2340

Financial Control – Oil sector

Central London
£18,000 – £20,000 + Car

A high level of communicative skill and the ability to supervise staff are the essential prerequisites for this opportunity with a leading international oil company.

Reporting through to Paris, this is a key function encompassing the entire financial reporting requirements of the UK company. It also involves a high degree of liaison with non-accounting personnel, particularly with regard to the implementation and choice of new computer systems, whilst simultaneously controlling a team of three supervisors.

Candidates must be qualified accountants, probably ACA's with good post-qualification experience in a commercial/industrial environment and likely to be in their mid to late 20's.

For further information please telephone Eileen Davis on 01-734 0493 or write giving brief details to the address shown.

Robert Walters Associates
Recruitment Consultants
54-62 Regent Street, London W1R 5PJ.
Telephone: 01-734 0493.

DIRECTOR OF FINANCE

South East up to £30,000 + car

Hasler (Great Britain) Limited, a subsidiary of a well-established European Group, designs and markets telecommunication and office products for home and export markets. Considerable success over the past two years in traditional fields of activity has led to a drive for expansion and new product development.

The Company now wishes to appoint a Director of Finance, reporting to the Managing Director, who will be responsible for investigating and improving existing accounting and control systems and advising on the financial and taxation implications of expansion plans. It is expected that the person concerned will also possess the maturity and judgement required for a broad contribution to the running of the business.

The requirement is for a fully qualified accountant who has gained several years' management experience in a well structured industrial or commercial environment, preferably associated with high technology products. The position calls for strong analytical powers, together with the personal qualities necessary to bring about change in a tactful and effective way.

The preferred age range is 35 to 45. A negotiable remuneration package of up to £30,000 is offered, together with a car, private health insurance and other benefits. A knowledge of German or French would be a distinct advantage.

Please reply giving full details of your career history to the Company Adviser, Mr H. P. Barns, P.O. Box 145, Sutton, Surrey SM2 6HH, or telephone 01-642 7136 (incl. Saturday) for further information.

Hasler

ACCOUNTANCY APPOINTMENTS
appear every
THURSDAY
For further information contact:
LOUISE HUNTER
on
01-248 4864

Financial Controller

International Bank

London c.£30,000 + car + banking benefits

Our client is a major overseas bank with the growing London branch assuming an increasing international importance.

The financial controller will be required to manage the accounts department and also develop budgets, forecasting, tax planning and related activities. There is a particular requirement to work alongside other executives and to be part of a management team that will help develop the activities of the bank.

Applicants must be qualified accountants aged 35 to 45, with international banking experience which should include EDP involvement. Recent tax experience will be a particular advantage as well as a sound understanding of treasury matters.

This post offers advancement potential.

Please write as soon as possible to M J B Ping enclosing a detailed curriculum vitae and quoting reference F/415/P at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

EW Ernst & Whinney

EUROPEAN OPERATIONS ACCOUNTANT

CENTRAL BIRMINGHAM

Overseas Travel · £ Negotiable + Car

U S Gold is one of the UK's most successful computer games licensor, publishing and marketing companies. Continued expansion in Europe has created the need for an operations assistant. The appointment calls for a young, commercially aware and ambitious ACA aged 26-30, preferably with business services experience gained in one of the large accountancy firms, to monitor and analyse the performance of the newly formed European subsidiaries.

The person will be responsible for preparing an extremely wide variety of management reports, both regular and ad hoc and providing verbal and written briefs and critical analyses for use by senior management in Birmingham, Nice, Dusseldorf and Madrid.

The successful candidate needs a flexible and creative approach and the ability to match these with self motivation and hard work. In addition to a negotiable salary, other benefits include pension/life assurance scheme, BUPA and performance bonus.

Please reply in confidence giving concise career, personal and salary details to:

U.S. GOLD All American Software

Anne Brown, Personnel Director
US Gold Ltd
The Parkway Industrial Centre
Heneage Street
Birmingham
B7 4LY

Young Chartered Accountant

London EC4 **To £16,000 + benefits**

Our client is a prestigious British Public Group (T/O £200m) a recognised leader in the provision of a wide range of communication services.

This vacancy arises due to internal promotion resulting from continued growth and will ideally suit a Chartered Accountant, aged 25-27, with experience of a large professional firm.

Based in Head Office he/she will assist the Group Controller in a wide range of duties including the preparation of group consolidated accounts for publication, management reports, budgets and forecasts, involving close liaison with auditors and financial executives in the operating companies. There will also be involvement with other departmental specialists including Treasury, Taxation and Computer Services and a requirement to assist in the further development of computerised accounting within Head Office.

The group offers good career prospects combined with the usual large company benefits.

Applications under Ref. No. RC231 to:
Miss Merion Williams,
4 Bouverie Street, London EC4Y 8AB. Tel: 01-353 5272

The Extel Consultancy

REED REGIONAL PUBLISHING

The continuing development of our Regional newspaper interests has resulted in the need to fill two key appointments—

Finance Director Colchester

Essex County Newspapers, publishers of one evening and eight weekly newspapers, seek a Finance Director. He/she, a qualified accountant, will be responsible to the Chief Executive for all financial and statutory functions, and as one of four executive directors will be expected to make a commercial contribution to the development of the company in a highly competitive market. Experience as a financial controller, preferably in publishing, is essential. Knowledge of secretarial procedures and computer systems are also key factors. Age 35-40. Salary range £20,000-£25,000 plus company car.

Apply to: B. T. Moffitt,
Essex County Newspapers Ltd,
19 Culver Street West, Colchester, Essex CO1 1JE

Group Financial Director Birmingham

Birmingham Daily News, publishers of the country's first free daily newspaper, are looking for a Financial Director to be one of the team to achieve continued growth of this new concept in the newspaper industry. The successful candidate, a qualified accountant, will demonstrate effective financial management, knowledge of computer based systems and the ability to make a commercial contribution at Board level. Age 35-40. Salary range £20,000-£25,000 plus company car.

Apply to: P. S. K. Harris, Chief Executive,
Daily News Group Ltd, 78/79 Francis Road,
Edgbaston, Birmingham B16 8SP

FINANCIAL CONTROLLER

£17,000 to £19,000 pa
South West London
PC Communications Distributor

A young company, growing very fast in the field of PC Communications, seeks a highly motivated qualified Accountant to act as Financial Controller to take over the accounting and control function, following a substantial venture capital injection. Reporting to the Managing Director, you will participate in the early stages of a company that is already having a substantial impact on its market.

Please contact:
ROBERT ASHBY
Managing Director
Robert Ashby & Company
01-229 3970

Accountancy Appointments

Accountancy Appointments

هكذا من الأجل

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday December 5 1985

Telefónica to raise Pta 36bn in one for nine rights issue

BY DAVID WHITE IN MADRID

COMPAÑIA TELEFÓNICA Nacional de España, the Spanish semi-state telecommunications company, yesterday announced its third capital increase in just over a year and a plan to open the capital of one of its industrial subsidiaries, Amper, to Telefónica shareholders.

Details of the PTA 36bn ($230m) equity-raising operation, which the company claims is the largest yet made on the Spanish market, were leaked well in advance of the official announcement. Mr Luis Solana, Telefónica's chairman, said that the leak had probably come from the Telefónica board but said this was "difficult to avoid."

Earlier this year, Pta 28bn worth of Telefónica shares were placed on the London, Paris, Frankfurt and Tokyo stock markets, the first time the company has been quoted outside Spain.

The Telefónica rights issue is on the basis of one new share for every nine already held, at a price of Pta 45 per Pta 500 share, or 90 per cent of nominal value. This compares with a recent stock market level of around 140 per cent.

The novelty of the issue is that subscribers will be entitled to acquire shares in Amper, a producer of telephone equipment, on the basis of one Amper share, at 150 per cent of nominal value, for every 20 new Telefónica shares. This is the first step Telefónica has taken to open up the ownership of its industrial group.

It is planned to introduce Amper shares on the stock market in the first half of next year. The company is 84 per cent owned by Telefónica, with the remainder in the hands of Spanish banks. The company moved out of the red last year to make a profit of Pta 138m, which is expected to be doubled this year and doubled again in 1986. Sales this year are put at Pta 7.2bn.

Telefónica, which said it would keep at least a 16 per cent holding in Amper, said its industrial subsidiaries as a whole were expected to make a Pta 2.6bn profit this year compared with Pta 2.3bn in 1984 and Pta 2.8bn loss the previous year, on sales 17 per cent up at Pta 56bn.

Telefónica itself, which announced that it was repeating its interim dividend of Pta 25 per share, is expecting a 20 per cent increase in net profits to Pta 39bn this year on revenues some 13 per cent higher at Pta 390bn.

Subscriptions to the Telefónica issue are open from December 15 to January 15, 1986.

Alitalia share sale, Page 33

Bank of BC back in profit

BY BERNARD SIMON IN TORONTO

BANK of British Columbia appears to have overcome the difficulties faced by western Canadian financial institutions and has returned to profitability after a loss in 1984.

Net earnings reached C$7.5m (US$5.4m) or 14 cents a share, in the year to October 31, compared with the previous year's loss of C$7m or C$1.96 a share. Fourth-quarter profit was C$1m or 3 cents a share.

A capital restructuring earlier this year and an infusion of new management have helped the bank weather withdrawals by depositors concerned about the stability of regional banks in western Canada.

Bank of British Columbia has benefited from its relatively stable retail base and also ascribed its turnround to a substantial growth in fee income and a general increase in banking operations.

William Hall in New York looks at the restructuring plans of BP's Sohio subsidiary

Billion-dollar bill to wipe out the past

SCARCELY a week goes by on Wall Street without the news of another big corporate restructuring accompanied by massive write-offs.

Nevertheless, this week's extensive housecleaning operation by Standard Oil Company of Ohio (Sohio), British Petroleum's majority-owned US subsidiary, is a stunning reminder of just how much money can be lost at the stroke of an accountant's pen.

Sohio, which has a net worth of about $9bn, is taking a $1.15bn after-tax charge, a large part of which covers the restructuring of previous costly diversification moves outside its traditional oil business. Many big US oil companies have already announced cutbacks in similar areas but only Atlantic Richfield, nervous that it would fall prey to a corporate predator, has announced larger write-offs.

The announcement of the charge and the news of a $400m modernisation of the group's Utah copper division, and a cutback in capital spending, were welcomed by Wall Street, where analysts argued that Sohio was finally taking steps to put its house in order, and not before time.

Sohio's main problem has been its Kennecott copper-mining subsidiary, which is the largest US copper producer. It bought Kennecott for $1.8bn in 1981 close to the peak in metal prices and since then has run up losses of over $550m as they have declined.

There has been talk that Sohio might try to sell Kennecott or spin it off to shareholders, as Amoco did recently with its Cypress Minerals subsidiary. Instead, Sohio appears to have embarked on a last-ditch effort to make its mining operations profitable even at current depressed world prices.

It has already modernised its two smaller mines in Arizona and New Mexico and has now committed itself to modernising its Bingham Canyon mine in Colorado, the biggest copper mine in the US. However, its $400m investment is considerably less than the $1bn-plus which was being talked about at one stage.

The project will be completed by late 1988 and will allow annual production of 185,000 tons of refined copper, plus gold, silver and molybdenum by-products. Mr Alton Whitehouse, the 58-year-old chairman of Sohio, says that the two smaller mines are operating at break-even and Sohio is confident that its Utah operation can be turned round.

Major oil company write-offs

Company	$m (after tax)	Date
Arco	785	Aug 84
Arco	1500	May 85
Sohio	1150	Dec 85
Sohio	163	Jan 84
Texaco	785	Nov 84
Mobil	500	May 85

"The Utah property contains high-quality reserves that we believe are competitive on a world scale," Mr Whitehouse said.

Restructuring of Sohio's mining operations, combined with cuts in other parts of the group and a reduction in capital spending of about one fifth, should boost Sohio's annual cash flow of about $3bn by more than $500m in the coming year. In should also contribute an extra $175m to 1986 earnings which analysts had earlier estimated at around $1.5bn or $6.40 per share.

Sohio's $1.15bn charge will more than wipe out the group's profits for the first nine months of 1985 but Wall Street analysts are more interested in what Sohio did not say, rather than what it did say, when it unveiled its house-cleaning operation. This probably explains why Sohio's shares rose on the day of the announcement while those of its parent, BP, fell.

Unlike some of its rivals which have sweetened the news of large writeoffs with dividend increases and share buy-back programmes, Sohio was silent. More than a year has passed since Sohio increased its dividend. It is considerably longer since it offered to buy back a sizeable block of its shares, even though its cash flow is healthier than most big US oil groups.

Although rumours have often swirled through the markets that BP was about to take full control of Sohio, many Wall Street analysts believe that this week's moves by Sohio increase the likelihood. Mr Charles Maxwell, who works for Cyrus J. Lawrence and is one of Wall Street's most respected oil analysts, believes that there are very good reasons why BP should want to take full control sooner rather than later.

Sohio has bigger US oil reserves than any other company, including Exxon, and Mr Maxwell argues that BP's price earnings ratio would probably rise if it could show that it totally controlled these reserves. As Royal Dutch/Shell found, the easiest and cheapest way for it to increase its US reserves was to take full control of its US affiliate.

There are two ways BP could take control of Sohio, says Mr Maxwell. It could either make a bid for the 45 per cent minority it does not own or allow Sohio to buy out the minority with its own cash flow. At the end of October, Sohio's public shareholders owned 104.3m of the group's 234.5m shares and BP held the remaining 130.2m. If BP were to make a bid at, say, 25 per cent above Sohio's current share price, it would cost it about $6.5bn to take full control.

Given BP's own capital commitments, Mr Maxwell says that it would make more sense for it to acquire control by persuading Sohio to buy back its own shares. On the basis of its current cash flow Sohio could buy back the minority in less than three years.

If BP does want to take control of Sohio, many Wall Street analysts argue that it would be advised to make its move while President Ronald Reagan is in office. It is unlikely, they say, that another administration would look so benignly on foreign takeovers. Full control also would also mean that BP had no one but itself to blame for costly blunders like the Kennecott acquisition.

VW plans Saturday work to meet boom

By John Davies in Frankfurt

VOLKSWAGEN, the West German motor vehicle maker, plans to step up production next year by introducing work on some Saturdays as well as during the normal holiday shutdown in the summer.

VW said yesterday that these steps would enable it to turn out an extra 36,000 vehicles to meet the continuing boom in sales and orders.

Employees worked some Saturdays earlier this year as the company struggled to take advantage of a rapid build-up in orders, boosted by the success of its new generation Golf in West Germany and European export markets.

VW has now agreed with employee representatives that cars should be produced at the Wolfsburg plant on eight Saturdays before the normal works holiday starting on July 7. Employees are to work on 12 Saturdays at the component factories at Brunswick, Kassel and Salzgitter, as well as in VW's light van factory at Hanover.

The company also wants some employees to volunteer to work during the normal July shutdown and to take their holidays at another time, although it envisages that only about 7,000 people will be involved.

Under the plan, expected to be endorsed at factory level by the end of this week, workers will take time off later next year to make up for the Saturday work. VW will decide in the second quarter of next year whether it needs to hire more workers to offset this time off.

VW has already stepped up production substantially this year. The company, together with its Audi subsidiary, expects to turn out 1.82m vehicles from West German factories this year, 12 per cent more than last year.

VW has hired 17,700 employees and apprentices since mid-1984. Its domestic workforce is now 123,000.

Pechiney takes Japanese group as partner in high-tech project

BY PAUL BETTS IN PARIS

PECHINEY, the French nationalised aluminium and metals group, is teaming up with Mitsui Mining and Smelting of Japan to build a FFr 290m ($37m) plant in Normandy to produce copper foil for printed circuit boards used by the European electronics industry.

The joint venture, involving Tréfimetaux, Pechiney's copper processing subsidiary, is part of the ongoing effort by the French group to expand in high-technology sectors.

It is the latest in a series of agreements between Tréfimetaux and other international groups to strengthen the French company's involvement with the electronics industry.

The joint venture, called Eurocel, will have a capital of FFr 80m and will be 65 per cent held by Tréfimetaux and 35 per cent by Mitsui. The project, involving the construction of a plant at Dives-sur-Mer on the Normandy coast, will be backed by French government aid. The plant will employ 100 people and is expected to generate sales of FFr 150m a year. Eurocel will be using Mitsui's electro-deposited copper foil process.

The venture is one of a series of industrial projects involving Japanese companies in France. Recently Pechiney and Elf Aquitaine opened a carbon-fibre manufacturing plant in south-west France in co-operation with Toray of Japan.

Mannesmann sales up 12% in nine months

BY RUPERT CORNWELL IN BONN

MANNESMANN, the West German engineering and steel pipes group, yesterday announced a 12 per cent rise in sales for the first nine months of the current year. It forecast full 1985 profits would be "well above" the disappointing DM 128m ($50.5m) of the parent company in 1984.

A statement in the company magazine said turnover between January and September advanced to almost DM 12bn. Export deliveries climbed 7 per cent, while domestic sales – testament to the investment recovery in West Germany – jumped 22 per cent.

The improved profits picture reflects, above all, an upturn in the pipes division, which had failed in 1984 to match the better trend in other parts of the Mannesmann group.

Orders taken by Mannesmannröhren-Werke, the Düsseldorf-based pipes concern, rose during the period by 14 per cent.

Italex floater lands in difficult market

THE EURODOLLAR floating-rate note market is not in good shape at the moment, writes Maggie Urry in London.

Investors are lightening their portfolios in the run-up to the year-end because they find it expensive to fund holdings. Investors have picked on paper issued by particular types of borrower to sell.

Malaysian floaters have fallen sharply in the past couple of days in response to the difficulties of the Kuala Lumpur and Singapore stock markets. US savings and loans institutions' and banks' issues have also fallen. Only Sweden's floaters have shown much strength as that borrower keeps calling its deals.

It was not an easy day for Morgan Grenfell to launch a $230m deal for Italex, a single-purpose company, which will use the proceeds to refinance Italian export credits to Brazil. The loan to Brazil will be guaranteed by Sace, the Italian export credit agency.

As Italex is matching the floater with the loan, the floater is nearly as good as backed by Sace but is not directly guaranteed by Italy. It takes dealers some time to assess the risk in such an issue.

As a result, the terms on the floater are more generous than the Italian Government itself would pay. The issue matures in July 1992, although sinking fund cuts the average life to 4¾ years. The coupon is ⅛ per cent above six-month London inter-bank offered rate (Libor) and issue price par. Fees total 20 basis points. The issue traded just within the fees.

No fixed-rate Eurodollar deals appeared yesterday. After a firmer trend in the morning, prices fell back when the New York market opened weaker.

Merrill Lynch (Suisse) launched an issue of about 105,000 dollar warrants, priced at $37 each, to buy a Swiss franc floating-rate note issue for Bergen Bank. The floater will pay ⅛ per cent above three-month Libor and matures in January 1991. There are four quarterly exercise dates and 50 warrants are needed to buy one SFr 50,000 note. The warrants were quoted as high as $33.

In the Canadian dollar market, Orion Royal Bank launched a C$75m seven-year deal for Chrysler Financial with a swap into US dollars. The coupon is 11 per cent and the issue price 100¼. The coupon is higher than recent deals have carried, but the borrower is rather too well known in the market. The issue started slowly and was offered at a level equal to the full 1⅞ per cent fees.

The Eurosterling market saw another straight issue yesterday, a £50m 10-year deal for the European Investment Bank. There is a £25m tap and the payment date is not until January 30 1986. Baring Brothers set the coupon at 10½ per cent and the issue price is 98½, terms regarded as tight although offering a better yield than some older EIB issues. Fees total 2 per cent and the bonds were trading around a 1⅞ point discount.

Sainsbury's seven-year 10⅛ per cent issue, launched on Tuesday by S. G. Warburg, continued to trade around a 1⅞ per cent discount to its par issue price.

In the Ecu sector, Parbel Finance launched an Ecu 50m issue guaranteed by Banque Paribas Belgique. The bonds mature in June 1989. The coupon was set at 8⅝ per cent and issue price at 101 by Banque Paribas Capital Markets. The Ecu market is a little unsettled at present, but the issue was trading well, at around 100, which is inside the 1½ per cent fees.

Maruzen Showa Unyu, the Japanese transport company, launched a DM 25m issue with equity warrants, led by CSFB-Effectenbank. The five-year bonds have an indicated 3 per cent coupon and issue price is par. They were trading around 101 yesterday and equity-linked deals are generally popular. The VW issue with warrants traded at 107½ yesterday, compared to the par-issue price.

Zero-coupon issues are also in demand and the World Bank's 30-year issue gained more than a point to trade around 14¼, up from its 13 issue price. Straight bonds are not being bought, though, and prices were little changed yesterday.

Philip Morris continued its borrowing spree with a SFr 214m seven-year issue led by UBS. It is thought the proceeds are being swapped into fixed-rate dollars. The coupon, at 5⅛ per cent, looked on the low side, although the name is popular in the Swiss market and the issue price is 99¾.

SBC announced a SFr 80m convertible issue for Atsugi Nylon, the Japanese lingerie maker. That matures in May 1991 and the indicated coupon is 2½ per cent. Investors have a put option in May 1989 at 101½ to give a yield of 2.56 per cent.

The coupon for Sankyo Aluminium's SFr 80m issue with equity warrants was cut from 3 per cent to 2⅞ per cent by Banca della Svizzera Italiana.

In the secondary market, Swiss franc bonds were mixed, with prices up or down by a ¼ point. Charter Medical's SFr 86m 10-year issue ended its first day's trading at 100⅞ up from the par issue price as investors were attracted by its 6 per cent coupon.

In the guilder bond market, the EEC launched a Fl 150m issue maturing in 1998. The coupon is 7¼ per cent and issue price par. ABN is lead manager.

The samurai market is still upset by the recent problems of the Japanese Government bond market. A number of new issues have been postponed lately, with China International Trust and Investment Corporation (Citic) the latest to delay a deal, for Y40bn.

On the other tack, Finland has called its Y20bn 8.4 per cent issue due in 1992 for redemption. It was launched in 1980

International bond service, Page 19

Over-the-Counter Market

High	Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
148	120	Ass. Brit. Ind. Ord. ...	120xd	—	7.3	6.1	7.4	6.8
151	126	Ass. Brit. Ind. CULS...	126	—	10.0	8.3	—	—
77	43	Airsprung Group	63	—	6.4	10.2	10.5	13.7
46	25	Armitage and Rhodes...	41	—	4.3	10.5	5.1	0.1
167	108	Bardon Hill	165xd	—	4.0	2.4	20.9	21.7
64	42	Bray Technologies	53	—	3.9	7.4	6.5	7.5
201	142	CCL Ordinary	142	−2	12.0	8.5	3.5	3.3
152	102	CCL 11pc Conv. Pf. ...	102	−1	15.7	15.4	—	—
130	10	Carborundum Ord. ...	115	—	4.9	4.2	5.8	9.1
94	83	Carborundum 7.5pc Pf.	94	—	10.7	11.4	—	—
73	46	Deborah Services	58	—	7.0	12.1	8.0	7.9
32	21	Frederick Parker	21	—	—	—	—	—
83	33	George Blair	71	—	—	—	2.9	5.3
60	20	Ind. Precision Castings	50	—	3.0	6.0	13.2	11.0
218	177	Isis Group	178	—	16.0	8.4	13.7	20.5
124	101	Jackson Group	110	—	5.5	5.0	7.4	7.4
285	213	James Burrough	278xd	—	15.0	5.4	8.8	8.8
95	83	James Burrough 9pcPf.	95	—	13.9	13.6	—	—
96	71	John Howard and Co.	76	−1	8.0	6.8	8.0	9.6
225	100	Linguaphone Ord.	180s	—	—	—	6.0	6.9
100	90	Linguaphone 10.5pc Pf.	90s	—	15.0	16.7	—	—
650	300	Minihouse Holding NV	576	+10	6.9	1.2	25.1	23.9
120	31	Robert Jenkins	70	—	—	—	9.0	20.0
80	28	Scruttons "A"	31	—	—	—	—	7.8
92	61	Torday and Carlisle ...	67	—	5.0	7.5	3.4	8.1
444	320	Travian Holdings	330	—	4.3	1.3	18.8	18.4
41	17	Unilock Holdings	41	+1	2.1	5.1	11.1	10.9
122	81	Walter Alexander	121	—	8.8	7.1	8.8	8.3
247	195	W. S. Yeates	200	—	17.4	8.7	5.7	9.5

s=Suspended.

UK-based Hungarian bank lifts earnings

BY ALEXANDER NICOLL IN LONDON

HUNGARIAN International Bank, the National Bank of Hungary subsidiary which has been the most profitable foreign-owned bank in London for the last two years, recorded a 12.9 per cent rise in pre-tax profits from £5.48m to £6.19m ($9m) in the year ended September 30, 1985.

The bank specialises in trade finance. It enjoyed brief prominence earlier this year when it led a consortium of banks which lent Mr Eddie Shah's News UK group more than £6m to finance the purchase of five printing presses from West Germany.

In the latest year, total consolidated assets rose by 6.5 per cent to £210.9m, with cash, short-term bank deposits and certificates of deposit representing 39.5 per cent of the total. The bank is paying a 12 per cent total dividend for 1985, compared with none in 1984.

Mr Timothy Newling, managing director, attributed the profit rise to greater use, particularly by UK corporate customers, of the bank's forfaiting and export finance services. Leasing business made a profit for the first time.

Hibtrade, a subsidiary which specialises in countertrade, contributed £2.1m to pre-tax profits, up 8.3 per cent from the previous year.

Responding to the structural changes in London markets and to the bank's rising level of activity, Hungarian International Bank has substantially increased its capital. National Bank of Hungary is subscribing $15m in primary capital loan stock, raising primary capital as defined by the Bank of England to about £30m.

National Bank of Hungary, itself an innovator as a borrower on international markets and the recipient this week of Eastern Europe's first note issuance facility, has extended a $100m standby to the London subsidiary, but it has not been drawn.

Public Works Loan Board rates

Effective December 4

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
1	—	—	11¼	—	—	12
Over 1, up to 2	11½	11½	11	12¼	12¼	11⅞
Over 2, up to 3	11¼	11¼	11	12¼	12¼	11¾
Over 3, up to 4	11	11	10⅞	12	12	11⅝
Over 4, up to 5	11	11	10⅞	12	12	11⅝
Over 5, up to 6	10⅞	10⅞	10¾	11¾	11¾	11½
Over 6, up to 7	10¾	10⅞	10⅞	11⅝	11⅝	11½
Over 7, up to 8	10⅞	10⅞	10⅞	11⅝	11½	11½
Over 8, up to 9	10⅞	10⅞	10⅞	11⅝	11⅝	11⅜
Over 9, up to 10	10⅞	10⅞	10¾	11⅝	11½	11¼
Over 10, up to 15	11	10⅞	10⅝	11⅛	11⅛	11⅛
Over 15, up to 25	10⅞	10⅞	10⅜	11⅛	11	10⅞
Over 25	10½	10½	10½	11	10⅞	10⅞

* Non-quota loans B are ⅛ per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

INTL. COMPANIES & FINANCE

Holmes à Court douses speculation on BHP bid

BY MICHAEL THOMPSON-NOEL IN SYDNEY

MR ROBERT Holmes à Court, the Perth businessman, yesterday doused speculation that he was about to launch an all-out bid for Broken Hill Proprietary (BHP), Australia's biggest company, but said that his Bell Group would now equity-account profits on its stake in BHP.

He reaffirmed that his main intention in taking "a major position" in BHP — currently about 17 per cent — was to secure a long-term investment.

"There has been a lot of publicity and speculation about our real intention in relation to this investment," Mr Holmes à Court told the Perth annual meeting of Bell Group, his master company. "Our intentions are what we said they were from the very start — to take a major position in the company on a long-term basis.

"It is a serious and responsible investment we are making. We do not desire to disrupt the company, its shareholders or its management. I think the record shows that every element of BHP is no worse off and some people may say they are better off because of the holding we have taken."

He said, however, that Bell Group would not be "totally inert" and would seek some future influence on BHP's management.

Associated Communications Corporation (ACC) of the UK, taken over by Mr Holmes à Court in 1982, is to be renamed Bell Group International in recognition of its role as the group's main vehicle overseas, Mr Holmes à Court told the Perth meeting. Bell is to invest A$50m in film and television productions in the current year, mainly in the US and Britain

Mr Holmes à Court confirmed that Bell and its main offshoot, Bell Resources, have total cash and credit of about A$2bn (US$1.34bn). The current investment climate was not good, but he did not rule out "a major acquisition on the right terms."

BHP, a resources and steel group, has suffered persistent attention from Mr Holmes à Court over the past two years. He said yesterday that trading in BHP shares and options has earned Bell Group more than A$100m.

Bell Group is a diversified resources, media and investment concern, the resources arm of which is in many ways modelled on BHP itself.

Mr Holmes à Court said that if he became a BHP director Bell would have to curtail its share trading in BHP.

Big gold find in Papua New Guinea

By Our Sydney Correspondent

PARTNERS in the Lihir Island gold venture in New Ireland province, Papua New Guinea, said yesterday they had identified what is probably the biggest gold find in Australasia or nearby.

Preliminary geological reserves for the Lihir Island find are put at 137m tonnes of ore grading 2.66 grams per tonne (g/t) at a cut-off grade of 1 g/t.

This equates, said the partners, to 11.7m oz of contained gold, which ranks Lihir Island ahead of other notable PNG finds such as Porgera, Bougainville and Ok Tedi, and way ahead of Kidston, Australia's biggest producing gold mine.

Kennecott Explorations (Australia), which owns 88 per cent of the venture, is providing funds until mining proceeds are received. Kennecott is part of the troubled mining interests of Sohio, the US oil company which is in turn majority owned by British Petroleum.

"It's a very large lump of gold in one place," said Mr Geoff Loudon, general manager of Niugini Mining, which has the other 12 per cent interest in the venture. Niugini Mining is a PNG-registered company which is mostly Australian-owned. In Sydney yesterday, its shares closed 7 cents higher at A$2.37.

Kennecott said that at a cut-off grade of 1.5 g/t, there were 98.6m tonnes of ore grading 3.22 g/t. At a cut-off of 2.5 g/t, there were 49.3m tonnes grading 4.51 g/t.

Mineable reserves have yet to be determined.

About 7 per cent of the total reserve is oxide ore, amenable to direct cyanide leaching processes with a 90 per cent gold recovery, but the rest is a refractory sulphide ore needing processing before leaching to achieve about 85 per cent recovery.

Great Eastern Shipping back to profits

By R. C. Murthy in Bombay

GREAT EASTERN Shipping Company, one of India's largest private shipping companies, returned to pre-tax profits of Rs 19m ($1.5m) in the year to June 1985 against Rs 42.8m losses the previous year.

It is the only Indian shipping company to make such a recovery this year, and is to restore a dividend of Rs 0.70.

Mr Vinod Sheth, the chairman, says a further improvement may be possible this year, provided the international environment does not worsen and government support for the company's diversification plans is forthcoming.

Great Eastern is seeking shareholders' approval for a move into housing development, hotels and services to the oil exploration industry.

State action averts failure of Heiwa Sogo Bank

BY YOKO SHIBATA IN TOKYO

BANK FAILURE, which has been a taboo concept in Japan since the Second World War, has again been staved off by the Ministry of Finance (MoF) and the Bank of Japan (BoJ), with a package of administrative reforms proposed for Heiwa Sogo Bank, a Tokyo-based savings and loan institution which has encountered financial difficulties.

Mr Kazumasa Tashiro, a former director of the BoJ, was this week installed as president of Heiwa Sogo, succeeding Mr Takashi Inaida, who stepped down in order to take responsibility for the bank's troubles. Other advisers are to join Mr Tashiro at the bank, where since 1983 he has held the largely formal post of chairman.

"Heiwa Sogo Bank will try to draw up a rehabilitation plan of its own, instead of seeking a merger or forming a capital affiliation with a major banking institution," said Mr Tashiro.

The ministry's scrutiny of Heiwa Sogo books, which began in August, has uncovered an estimated Y500bn ($2.47bn) of questionable loans, accounting for as much as 60 per cent of the bank's total lendings. Irrecoverable loans are put by most estimates at Y150bn to Y200bn.

The major concern in a financial restructuring of the bank is how the irrecoverable loans are to be written off. For the half-year to September, Heiwa Sogo boosted pre-tax profits 15.4 per cent to Y2.4bn, but net profits fell by 23.7 per cent to Y650m.

Venture fund for Korea

BY STEVEN B. BUTLER IN SEOUL

THE SOUTH KOREAN Ministry of Finance has authorised the launch of the country's first venture capital trust fund, which will also be the first investment trust open both to foreign and domestic investors.

The fund, to be established by the Korean Investment Trust Company, will seek to raise 5.5bn won ($6.2m), with 48.5 per cent of the shares being sold to foreign investors. Baring Brothers will be lead manager for the fund, to be called the Korea Small Company Trust.

Venture capital is new to Korea, and the establishment of the trust is part of the Government's broader policy to spur growth in small and medium-sized companies as well as to draw in foreign equity capital. Approval for several other venture capital funds with foreign participation is expected soon.

The fund is to be a closed-end type, with an investment period set for 11 years. Units of the trust will be traded eventually on the Korea Stock Exchange

Argyle Diamond pipe opened

DIAMOND production has started at the main AK1 pipe of Argyle Diamond Mines in Western Australia, the world's biggest diamond mining operation, Our Mining Editor writes.

The A$465m (US$315m or £213m) construction programme has been completed on schedule and within budget.

AK1 will take over from the initial alluvial operations at Argyle and during the next 12 months will build up to an annual rate of 25m carats (nearly 5¼ tonnes) of diamonds from the treatment of 3m tonnes of ore. Proven and probable ore reserves have been put at more than 75m tonnes.

AIBD BOND INDICES

WEEKLY EUROBOND GUIDE NOVEMBER 29 1985

	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	10.357	−0.562	12.258	10.356
Canadian Dollar	11.279	−0.270	13.258	11.279
Euroguilder	6.196	−0.755	7.879	6.131
Euro Currency Unit	9.309	0.154	10.450	9.189
Sterling	11.032	−0.843	11.600	10.763
Deutschemark	7.080	−0.086	7.860	6.854

Bank J. Vontobel & Co. Ltd, Zurich - Telex: 812744 JVZ CH

INTERNATIONAL COMPANIES and FINANCE

Adobe stake puts Minorco into US oil and gas

BY KENNETH MARSTON, MINING EDITOR, IN LONDON

BERMUDA-registered Minerals and Resources Corporation (Minorco), having cleared the decks of past losses on disappointing investments, is embarking on a $215m move into US oil and gas.

Minorco, the international investment arm of South Africa's Anglo American Corporation in partnership with De Beers, is to buy from its 59 per cent-owned Inspiration Resources a 49 per cent interest in Adobe Resources and some 24 per cent of Arcata.

The acquisitions will reduce Minorco's earnings from operations below the level that would have been expected had the cash consideration been left to earn interest, the company said. Even so, earnings are still expected to be "materially higher" than the disappointing $104.6m reported for the year to last June.

It is pointed out that Minorco will not account for its share of Adobe's undistributed earnings, or the impact on Inspiration's losses of substantially reduced interest charges, until the next financial year. At June 30, Minorco had cash reserves of some $400m.

Adobe produces oil and gas in the US and Indonesia. It also has interests in Canada and the North Sea and carries out exploration in the US, Egypt, Colombia and Indonesia. The company's proved reserves at end-1984 amounted to 30.8m barrels of crude oil, 168bn cubic feet of gas and 12.5m barrels of natural gas liquids.

On a *pro forma* basis, Adobe's net earnings for 1984, before preferred dividends of $19.2m, would have been $13.1m. Total net assets at June 30 would have been $708.6m. Arcata is a printing and forest products company owning timberland in northern California.

Mr Julian Ogilvie Thompson, chairman of Minorco, said the acquisition of Adobe – by far the main component of the package – was significant in restoring to the portfolio a heavy exposure to the US oil and gas industry.

"While we accept that the oil and gas industry in the United States will face considerable challenges in the short term as a result of possible downward pressure on prices, we believe that in the longer term the purchase . . . represents a sound investment," he added.

● **Goldenbell Resources** of Canada has received a cash payment of US$2m from Pathfinder Gold for the granting to the latter of a one-year option to acquire at "a fair market value" a 30 per cent interest in Goldenbell's promising Pine Tree gold project in Mariposa County, California.

Granges Exploration reports a shallow drill intersection of 7.8 ft of mineralisation averaging a high 1.47 oz (45.7g) gold per ton of ore to the south of the main discovery at its Tartan Lake joint venture in Manitoba. Partners include Aberford Resources and Outokumpu.

Toronto-based **Dome Mines** earned a net C$6.88m (£3.34m) in the September quarter. That brings the total profit for the first nine months of 1985 to C$14.9m, or 19 cents a share, compared with a loss of C$5.96m in the same period of last year.

Bid for Kaiser Aluminum

BY OUR FINANCIAL STAFF

A GROUP led by Mr J. A. Frates, the Oklahoma investor, said in a filing with the Securities and Exchange Commission that it had decided to seek control of Kaiser Aluminum and Chemical, the third largest US aluminium producer. It has enlisted the aid of Mr Alan Clore, the London investor.

The group raised its stake in Kaiser Aluminum common stock to 1,400,050 shares, or 3.2 per cent of the total outstanding, through the purchase on November 25 of 900,000 additional shares on the New York Stock Exchange at $16.78 a share. Kaiser Aluminum has 44m shares outstanding and at recent prices is valued at $726m.

The group said Mr Clore had agreed to contribute "at least" $10m to its effort to take control of Kaiser Aluminum.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for December 4.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amev 10⅞ 92	100	100⅞	101⅜	−0⅛	+0½	10.12
Amex Credit 10⅞ 90	100	103⅝	104⅛	+0⅛	−0⅜	9.72
Atlant Richfld 10¼ 00	250	97⅞	98⅜	+0¼	+0⅛	10.49
Australia Com 11 95	200	105⅞	106⅜	0	+0¼	9.95
Australia Com 11¼ 00	100	106⅛	106⅝	0	0	10.36
BP Capital 11⅛ 02	150	105	105½	+0⅛	+0¼	9.93
Campbell Soup 10½ 95	100	103¼	103¾	0	−0⅜	9.91
Canada 11½ 00	500	107	107½	0	−0¼	9.34
Canadian Pac 10⅝ 93	100	104⅛	104⅝	0	+0⅛	9.87
Canadian Pac 12½ 93	75	108¾	109¼	−0⅛	0	11.16
CEPME 10⅛ 01	100	101⅛	101⅝	+0⅛	0	9.80
Chevron U.S.A. 12¼ 89	600	104½	105	−0⅛	−0¾	10.65
Citicorp 10 88	200	101½	102	0	−0¼	9.21
Citicorp 10⅝ 95	200	99⅝	100⅛	+0⅛	+0⅛	10.53
Coca Cola 11¾ 91	100	107	107½	+0⅛	−0⅜	10.04
Denmark Kingdom 11¼ 90	100	104¼	104¾	0	0	9.60
Denmark Kingdom 11½ 00	100	105¾	106¼	+0⅛	+0¼	9.74
Denmark Kingdom 11½ 92	100	100⅞	106⅜	+0⅛	+0⅛	10.12
E.D.F. 10 95	225	99⅞	99⅜	0	+0⅛	10.13
E.E.C. 9¾ 95	350	99¾	100¼	+0⅛	−0⅛	9.80
E.E.C. 11⅛ 90	100	105⅛	105⅝	0	−0¼	9.48
E.I.B. 12 95	200	110⅛	110⅝	+0⅛	+0⅛	10.21
Eli Lilly 10¼ 92	150	103⅛	103⅝	+0¼	+0½	9.55
Export Dev Corp 10 90	100	101¾	102¼	0	−0¼	9.40
Export Dev Corp 12 00	100	108½	109	0	+0¾	9.22
Fed Dep Stores 10⅝ 95	100	100	100½	+0⅛	+0¾	10.06
Ford Motor Cred 11⅜ 00	100	103⅝	104⅛	+0⅛	+0¼	10.17
Ford Motor Cred 12 95	100	108⅛	108⅝	+0⅛	+0⅛	10.65
Gen Elec Credit 10¼ 00	200	101⅞	102⅜	0	−0⅛	9.96
GMAC 10¼ 88	200	101⅞	102⅜	0	−0⅜	9.47
GMAC 10¼ 02	250	101⅛	101⅝	−0⅜	−0⅜	9.96
IADB 10½ 95	150	101⅞	102⅜	+0⅛	−0⅛	10.13
IBM Credit 10⅜ 2000	300	† 102½	103	+0¼	−0⅛	9.99
Kellogg Company 10⅞ 90	100	103⅛	103⅝	−0¼	−0½	9.82
Kellogg Company 11¼ 02	100	105	105½	0	−0½	10.65
L.T.C.B. 12⅞ 91	100	112¼	112¾	+0⅛	+0¼	9.98
Macy Cred Corp 11⅝ 95	100	† 102⅝	100⅞	+0⅛	+0⅛	11.26
Mitsui Trust 11¾ 00	100	† 100⅛	105⅝	+0⅛	+0¼	10.06
Nippon Cred Bk 10⅝ 95	150	101⅞	102⅜	+0¼	+0⅛	10.27
Pillsbury Co. 10¼ 93	100	99	99½	+0⅛	+0¼	10.36
Pru Realty secs 12⅛ 95	546	109¾	110¼	0	+1	10.37
Qantas Airways 10⅜ 95	140	102¼	102¾	0	+0⅞	9.94
Quebec Hydro 11½ 92	100	107¼	107¾	−0⅛	−0¼	9.96
Queensland Govt 10¼ 95	100	100¼	100¾	0	+0⅜	10.19
Ralston Purina 11¾ 95	150	107¼	107¾	+0¼	+1	10.44
Ralston Purina 12¾ 89	100	108½	109	−0⅛	−0¼	9.89
Saskatchewan 10¾ 92	100	104¼	104¾	+0⅛	0	9.72
Saskatchewan 11⅞ 88	100	107½	108	0	−0¼	9.43
Statoil 10 90	170	101¼	101¾	+0⅛	−0⅛	9.58
S Wales Trsy 11¾ 00	150	106⅜	106⅞	0	0	9.79
Swed Exp Cred 10 02	100	100¾	101¼	+0⅛	0	9.76
Swed Exp Cred 12¾ 89XW	100	107¾	108¼	0	−0½	10.06
Sweden Kingdom 10⅞ 90	200	104⅛	104⅝	−0⅛	−0⅛	9.58
Sweden Kingdom 11½ 88	200	106⅝	107⅛	+0⅛	+0⅛	9.37
Sweden Kingdom 11¾ 04	100	107⅞	108⅜	−0¼	−0⅜	10.32
Tenneco Corp 10¾ 95	150	101¼	101¾	+0⅛	−0⅛	10.47
Texaco Capital 10 95	300	†*96	98	0	−4	12.35
United Tech Fin 10⅝ 95	100	101⅜	101⅞	0	+0¼	10.34
Victorian Rep 11⅛ 92	150	106⅛	106⅝	0	−0¼	10.19
World Bank 10½ 95	300	101¼	101¾	−0⅛	+0⅛	9.86
World Bank 12⅞ 94	200	114⅞	115⅜	+0¼	+0¼	10.16

Average price change On day 0 on week −0⅛

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	105⅜	105⅞	−0¼	+0½	7.06
Austria Republic 7⅝ 94	200	103⅞	104⅜	−0¼	0	6.93
Baxter Travenol 7¼ 94	200	101½	102¼	−0⅛	+0⅛	6.94
Copenhagen 7⅝ 95	150	101⅜	102⅛	−0¼	+1½	7.10
Credit National 8⅛ 94	200	105⅞	106⅝	−0¼	+0¼	7.09
E.I.B. 7¼ 94	300	101⅞	102⅜	−0⅛	+0⅛	6.92
Escom 8 92	150	93⅜	94⅛	−0¼	+0¼	9.34
Ex-Im Bk Korea 7⅝ 90	100	100	100½	0	−0¼	7.54
Ferrovie Dello Stato 8 01	100	103⅞	104½	−0⅛	+0⅛	7.03
Finland Republic 7 02	200	100⅝	101⅜	0	0	6.79
Gould Int Fin 7⅞ 91	100	102	102¾	−0⅛	+0⅜	7.07
Ireland 8⅛ 92	150	103⅞	104⅝	0	0	7.26
Japan Fin Corp 7⅝ 91	100	103⅜	104⅛	+0¼	0	6.79
Mitsubishi Hvy 3½ 89WW	300	159½	160½	0	+2½	−10.58
Mitsubishi Hvy 3½ 89XW	300	91¼	92	+0⅜	+0⅜	6.37
Mitsubishi Met 3¾ 89WW	100	104¾	105¾	+0¼	−1¼	1.77
Mitsubishi Met 3¾ 89XW	100	89	89¾	+0⅜	+0⅛	6.17
Quebec Hydro 7⅛ 95	200	102⅜	102⅞	−0⅛	+0⅜	6.73
Renfe 7¾ 95	100	102¾	103¼	+0¼	−0¼	7.29
Soc Cent Nucleair 7¼ 95	150	101¼	101¾	+0¼	−0½	7.02
Societe Cent Nucleair 8 91	100	105	105¾	+0⅛	−0⅛	6.80
Sth African Tran 7⅝ 92	100	91⅜	92⅜	0	−0½	9.23
World Bank 7 95	600	100½	101	0	0	6.88
World Bank 7¾ 88	100	102¾	103½	−0⅛	+0⅛	6.52

Average price change On day 0 on week +0¼

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aven Cap Corp 5⅜ 94	150	†*101	101¼	0	0	5.22
Brit Land Corp 6½ 98	75	†*104	104½	−0⅜	0	6.04
Council of Europe 6 92	120	†*102	102¼	−1	−0⅜	5.52
Creditanstalt 5½ 94	190	†*99¼	99½	−0½	−0¾	5.59
Deutsche Bk Fin 5⅛ 95	100	†*100	100¼	0	+0½	4.94
E.I.B. 5¾ 94	120	†*102	102¼	−0¼	−0¼	5.36
Gen Occidentale 4½ 94	80	†*102¾	103	−0¼	−0¼	4.11
Glendale Fed.S&L 5½ 95	100	†*98	98¼	+0¼	+0½	5.75
Ind Fund Fin 5⅝ 94	40	†*100½	100¾	0	0	5.66
Int-Am Dev Bk 6⅛ 94	120	†*102¾	103	−0½	+0⅛	5.70
N.Zealand steel 5¾ 96	70	†*100	100¼	−0½	−0½	5.73
Oberos Kltwk 5⅜ 95	100	†*100½	100¾	+0¾	0	5.28
Olivetti Intl 5½ 95	100	†*101	101¼	+0¼	0	5.34
Pepsico 5¼ 95	130	†*101	101¼	0	0	5.08
Ralston Purina 5⅜ 94	125	†*101¼	101½	−0¾	−0½	5.16
Santos Finance Ltd 6 04	130	†*100½	100¾	+0¾	+0¾	5.91
Tokyo Elec Pwr 5½ 93	120	†*101	101¼	+0¼	−0¼	5.30
Tokyo Metropolis 5½ 94	80	†*101½	101¾	−0½	−0½	5.02
World Bk 5¾ 94	150	†*102	102¼	+0½	+0¼	5.45

Average price change On day −0⅛ on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Caisse Nat Tele. 6⅛ 92	25	97¾	98¼	0	+0⅛	6.62
Gdyr Tr & Rubber 7⅛ 95	25	101⅜	101⅞	+0⅛	+0¾	6.88
Mort Bk Denmark 7 92	10	100½	101	+0⅛	+0⅝	6.84
New Brunswick 7⅛ 95	10	101⅛	101⅝	0	+0¾	6.92
Swed Exp Cred Zero 90	14	73	73½	+0⅛	+0½	6.58

Average price change On day +0⅛ on week +0½

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Barclays Aust 12⅞ 90AS	50	93⅞	94⅜	0	+0⅜	14.44
Creditanstalt 12⅞ 90AS	50	98½	99½	−0⅛	−0½	13.12
Pepsico Cap Res. 13 90AS	60	102½	103½	0	+0⅜	12.11
Swed. Export Cred 13 88AS	40	96⅛	97⅛	−0¼	+1¼	14.48
Amex 10¾ 00 C$	50	101¾	102¼	+0⅛	+0¼	10.14
Canadian Pac 10⅝ 90 C$	75	99¾	100¼	−0⅛	+0⅛	10.36
CIBC 10¼ 90 C$	75	† 102⅜	102⅞	−0⅛	−0⅛	9.75
Genstar Fin 11¾ 95 C$	75	101⅜	102¼	+0⅛	+0¼	11.37
Montreal 11½ 95 C$	75	105	105½	+0⅛	+0¼	10.57
Sears Acc. Co 10⅝ 92C$	75	† 98⅜	99⅛	−0½	+0⅜	10.85
Winnipeg City 10⅞ 90C$	50	103¼	103¾	0	+0¼	9.62
Chrysler Fin Corp 17 90NS	65	† 92½	94½	+0¼	+1⅛	19.11
K.O.P. 16¾ 91 NS	50	† 91½	93½	−0¼	+1½	18.51
Kredietbank Lux. 17 90 NS	70	† 100¾	101¾	+0⅜	+0⅛	16.33
B.N.P. 8⅞ 95 ECU	75	99⅜	99⅞	−0¼	−0¼	9.08
IBM Wld Trade 8¾ 90ECU	150	101⅛	101⅝	−0¼	0	7.87
Sec Pac Aust 8¾ 00 ECU	100	98⅜	98⅞	−0⅜	−0⅛	9.10
Honda Motor WW 3⅞ 90FL	100	103	103½	+0⅛	−0⅛	3.05
Honda Motor XW 3⅞ 90FL	100	88	88½	0	+0¼	6.84
Thyssen 7¼ 00 FL	50	103½	104	0	+0½	6.30
Wereldhave 7½ 90 FL	75	101⅞	102⅜	+0⅜	+0⅜	6.94
Wessanen 6¾ 00 FL	50	99⅝	100⅛	+0⅛	+0⅛	6.77
Mobil Corp. 11⅜ 90 FF	500	101¾	100¼	0	−1⅜	10.55
Australia Comm 11 00 £	40	100	100½	−0⅛	+0⅜	10.91
E.I.B. 11⅛ 90 £	50	100⅛	100⅝	0	+0¼	11.02
GMAC UK Fin 10½ 90 £	30	98⅞	99⅜	−0⅛	0	10.71
Imp Chem Inds 11¾ 95 £	75	100⅜	100⅞	0	0	11.13
Imp Chem Inds 10¾ 92 £	75	98⅛	98⅝	0	+0¼	11.08
Mcdonalds 10⅞ 90 £	40	100¾	101¼	−0⅛	0	10.54
Mitsubishi Fin HK 11 00 £	50	100	100½	0	+0¼	10.89
NSW. Treasury 10½ 92 £	50	97⅛	97⅝	0	−0¼	11.10
Privatbanken 11½ 02 £	20	100½	101	+0⅛	0	11.67
Rank Xerox 11 92 £	40	97⅞	98⅜	−0⅛	+0⅛	11.40
Royal Ind 10¾ 92 £	60	97½	98	0	0	11.22
Ster Drug Cap 10⅞ 90 £	50	100¼	100¾	0	+0¼	10.69
Tricentrol XW 11 00 £	35	95¾	96¼	+0¼	0	11.68
Trusthouse Forte 11⅛ 90£	50	99¾	100¼	0	+0¼	11.08
World Bank 11¼ 85 £	100	101	101½	0	+0⅜	11.01
C.O.E. 8⅞ 95 LF	600	99⅜	100⅛	0	+0⅛	8.91
Nat Lux Alum 10½ 92 LF	600	104	100	+0½	+0⅝	9.55

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Abbey National 5 2000 £	0	99½	99¾	15/1	11⅜	11.42
BankAmerica O/S 5¼ 95	0⅛	99¾	100	30/12	8⅛	8.14
Bankers Trust 5 2000	0	99⅞	100⅛	11/12	8.44	8.44
B F C E 5¼ 89	0¼	100	100¼	13/12	8¾	8.74
B.N.P. 5¼ 95	0	101¼	101½	10/1	5¼	5.18
B.N.P. 5¼ 95 (July)	0¼	99⅞	100⅛	22/1	8¼	8.25
B N P 5¼ 88	0¼	100	100¼	5/6	5¼	5.24
Britannia 5 93	0⅛	99⅜	99⅞	8/1	5	5.01
C.C.F. 5¼ 97	0	99½	99¾	29/10	8.19	8.22
Chase Man'tn 5¼ 2009	0⅛	99⅞	100⅛	5/12	8.44	8.44
Citicorp 5 2035	0	99¼	99½	27/11	5	5.03
Credit Lyonnais 5¼ 96	0⅛	100⅝	100⅞	11/10	9.69	9.62
Credit Lyonnais 5 00	0	100⅛	100⅝	10/1	5	4.98
E E C 5 30	0	99⅝	99⅞	8/1	5.06	5.08
E.N.E.L. 5 00	0⅛	100	100¼	1/3	5	4.99
Ireland 5¼ 97	0	99⅞	100⅛	28/2	8.44	8.44
Lloyds Bank Perp	0¼	100	100¼	9/12	8	7.99
Man-Hanover 5 97	0	99⅛	99⅜	22/11	5	5.04
Midland Bank Perp 5	0¼	100	100½	19/12	8⅛	8.10
Nat West Perp A 5¼ S	0¼	100	100¼	5/1	8¼	8.24
Nat West Perp B 5¼ S	0¼	100	100¼	10/2	8.91	8.90
Royal Bk Scotland 5 Perp	0¼	99¾	100	12/12	5	5.01
Roy Bk Scot 5¼ 2005 £	0	99⅛	99⅜	1/11	11.69	11.78
Societe Generale 5¼ 97	0	100⅛	100⅜	18/3	5¼	5.24
United Kingdom 5 92	0	99⅞	100⅛	7/7	5	5.00

Average price change On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 3 99	4/84	1053.64	123⅛	124⅛	+0⅛	5.32
Comcast 7 2000	12/85	23.875	† 107¼	100¼	−0¼	26.23
Fanuc 3¾ 98	7/84	7032.3	197	199	+1⅜	63.60
Fuji Hvy Inds 3 2000	8/85	676	95⅜	96⅜	+1⅝	2.22
Fujitsu 3 99	5/84	1320.9	97¾	98¾	+1½	14.54
Kumagai Gumi 3½ 2000	3/85	600	107⅞	109⅞	−0⅛	10.25
Marui 3½ 99	7/84	1162	150⅝	151⅝	−0⅝	−1.03
Mitsubishi Bank 2¾ 00	6/85	1768	98⅞	99⅞	+0¼	−1.11
Mitsubishi Elec 2¾ 00	3/85	422	100¼	101¼	+0½	−0.72
Murata 3½ 2000	7/84	2398	118½	119½	+0¼	16.58
Nippon Elec 2⅞ 2000	1/85	1295	122⅜	123⅜	+5¾	62.21
Nippon Oil Co 3 2000	5/85	923	104⅛	105⅜	−0⅛	−1.12
Oki Elec Ind 3½ 99	10/84	805	105	100¼	−0½	−1.60
Sekisui House 3 99	6/84	612	158⅞	159⅞	−0¾	0.76
Sumitomo Bank 2¾ 2000	8/85	2142	92⅝	94⅛	−0¼	4.66
Sumitomo Corp 2⅝ 99	5/84	593	131	132¼	−0½	−0.92
Taiyo Yuden 3¼ 2000	3/85	1078	† 102	100	0	−3.46
Takeda Riken 3⅛ 2000	10/84	7683	† 100	100	+1	10.12
Tokyo Sanyo Elec 3½ 99	12/84	772	99⅞	101⅛	+0¼	3.37
Toshiba Ceramics 3 2000	4/85	1734.2	99⅛	100⅜	+2	5.76
Nippon Oil Co 2¾ 93 SF	3/84	1057	†*100½	104	+1⅜	25.10
Nippon Shinpan Co 2 02 SF	3/84	801	†*111½	111¾	+0½	11.75
Asics 5 92 DM	12/83	520	100¼	109½	+0⅜	10.50
Renown 3⅛ 90 DM	3/85	675	106	107	+0½	−3.50
Sum Realty 6¼ 92 DM	2/83	338	† 366⅛	367⅛	−5⅞	−4.32

* No information available–previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price, the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (†† three month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Co. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

GM to buy 20% of Fiat division in US

BY TERRY DODSWORTH IN NEW YORK

GENERAL Motors (GM), the leading US car group, has agreed to acquire a 20 per cent stake in Comau Productivity Systems (CPS), the subsidiary of Fiat's machine-tool division in the US.

Neither side would say how much the agreement was worth, but the deal is more significant for the bearing it is expected to have on GM's factory modernisation plans than for its financial worth to the Italian company.

Mr Guy Lombardo, president of CPS, said the operating agreement it had entered into with GM's Chevrolet-Pontiac Canada division would help the company's access to more confidential information than had been available in the past. "This will allow us to work with General Motors on manufacturing processes, not just on building machine tools," he said.

CPS is regarded as the leading European manufacturer of automated transfer equipment and has sold its technology outside the Fiat group for several years. In the US, it has expanded rapidly in the past two years, growing from 18 people in April 1984 to about 200 today. Sales will amount to around $150m this year, and Mr Lombardo said Comau was trading profitably.

Under the deal with GM, CPS will continue to work for other US manufacturers, which include GM's main competitors, Ford and Chrysler, together with some companies in the farm-equipment field. Mr Lombardo said there would be no problem continuing with these commercial arrangements as long as they did not compromise confidentiality with GM.

For GM, the agreement illustrates its newly developed policy of buying access to new technology by taking minority shareholdings without gaining control. During the past four years, the Detroit motor group has bought small shareholdings in five companies developing technology in some area of machine intelligence.

CPS's acquisition also links up with its efforts to strengthen its position in automated factory technology, where it has developed a robotics venture in collaboration with Fanuc of Japan. Last year it acquired Electronic Data Systems, the leading US data-processing group.

Mr Lombardo said CPS was already working closely with GM, in particular on its Linden plant in New Jersey, which is being modernised for a product launch next year. CPS is in charge of the installation of the body-assembly unit, which is costing about $60m

DG to take over part of BRZ bank business

DG BANK is taking over the banking business of the Bayerische Raiffeisen-Zentralbank, the small Munich bank which was rescued by a DM 750m ($300m) support package in October, our Financial Staff writes.

BRZ, one of eight regional clearing banks for the co-operative sector, will be divided effectively into two parts. BRZ will remain as a holding function working on problem credits on its own account. The current business will be done on the account of DG Bank.

DG is not taking responsibility for BRZ's exposure. The risk provision shortfall for BRZ may be as high as DM 1.3bn, incoming management board chairman Mr Karl Fehrenbach, said.

The Munich bank, with a balance sheet total of DM 18bn, has DM 3bn in credits outstanding to the building sector. It made a net profit of DM 88m in 1984.

Mr Fehrenbach became chairman of BRZ on December 1 when his predecessor, Mr Konrad Vilgertshofer, offered his resignation after the shortfall in provisions became clear. The DG move was permanent, he said.

UK COMPANY NEWS

BOC up £34m and more to come

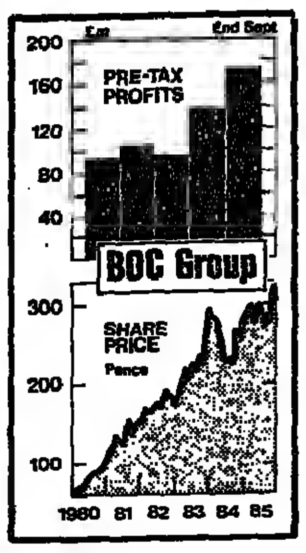
THE BOC Group made good progress over the final quarter of the 1984-85 year and for the full 12 months saw its profits surge by £33.5m at the pre-tax level.

Furthermore, Mr Richard Giordano, who took over the chair from Sir Leslie Smith last January, is expecting higher profits in the current year.

For the past 12 months to September 30 group turnover fell from £2.44bn to £2.26bn but modified pre-tax profits came through at £171.3m, compared with £137.8m—the final quarter take rising from £42.7m to £47.2m. An increased final dividend of 5.53p raises the net total by 21.8 per cent to 9.38p.

The figures were much in line with City estimates and the gases and health care group's shares closed 8p lower yesterday at 309p.

Mr Richard Giordano, chairman of BOC



The full-year results benefited from a fall in both operating and depreciation costs and a £12.2m drop in interest charges to £71.9m.

The associates' contribution fell from £17.7m to £13.6m and gains from realised stock holdings declined by £2.7m to £1.9m.

Mr Giordano, one of the UK's highest paid managers, said the results were in line with the directors' expectations.

Demand for BOC's industrial gases and health care products and services increased in most markets and profits were up. Carbon graphite volume was down and a £6.8m loss was incurred but turnover and profits in the high vacuum technology business were up significantly.

The chairman said that the carbon and graphite business had lost money during the year at a rate of £1m a month and were expected to continue in the red this year. They are, however, generating cash.

He added that capital expenditure last year totalled £240m and that small acquisitions accounted for another £70m. This had been roughly matched by internal cash. Spending is expected to remain at roughly the same level this year.

The UK gas business had a very good year and there was a strong recovery in medical equipment in the US.

The regional results were materially affected by exchange rate movements. The anticipated earnings from the US, including those to be remitted to the UK, were sold forward early in the year. The realised benefit from this transaction was £16.8m.

The South African and Australian profits showed an increase in local currency but a sharp decline when expressed in sterling.

The effect of exchange rate movements of these and other currencies net of the benefit of the US forward sale was to reduce pre-tax profits by £12.8m.

In addition, US$60m was sold forward for delivery in September 1986 at an average rate of $1.09 to the pound. The directors say this transaction is currently showing a profit of some £14m which will benefit earnings for 1985-86.

The interest charge for the year at £71.9m was covered 3.4 times by trading profit. The lower charge was the result of reduced borrowings, currency movements, lower dollar interest rates and higher UK rates earned on sterling deposits.

Although tax rose from £44.1m to £49.9m as a percentage of profits it fell due to the higher proportion of profits earned in the UK and US which have low marginal tax rates.

An extraordinary loss of £7.1m (£12.1m credit) includes £4m provision against US environmental clean up costs on sites of discontinued operations. The balance is the net of profits and losses on the withdrawal from businesses.

Operating costs were reduced from £1.72bn to £1.5bn and depreciation fell by £11.7m to £174.8m.

Minorities accounted for £11.8m, against a previous £14.4m.

Earnings emerged at £109.6m (£79.3m) or at 24.69p (16.87p) per share fully diluted. The directors have decided that shareholders should continue to have the opportunity of taking all or part of their dividends in shares instead of cash.

An appropriate resolution will be proposed at January's AGM which, if passed, will take effect for the final dividend now recommended.

An analysis of group operating profits (£241.3m, against £217.3m) by division shows: gases and related products £156.6m (£143.9m), health care £76.5m (£64.7m), carbon and carbide £6.8m loss (£11.7m profit) and special products and services £22.5m (£14m). Corporate costs accounted for £7.5m (£17.3m) and discontinued businesses for £0.2m (£0.3m).

A regional analysis shows: Europe £68.7m (£57.9m), Africa £15.8m (£20.4m), Americas £115.3m (£87.6m) and Asia/Pacific £41.7m (£51.1m).

See Lex

Avon Rubber surges £1m and expects more growth

DESPITE A lower contribution from its associated companies Avon Rubber continued its growth over the second six months to finish the full year almost £1m ahead at the pre-tax level.

Furthermore, shareholders are told that profits will show good progress in the year ahead but that the main benefits of efforts made in 1985 and 1986 will become apparent in the longer term.

For the past 12 months, to September 28, group turnover rose from £180.4m to £198.13m generating trading profits before depreciation of £11.09m, compared with £9.88m previously—the group's interests are in tyre manufacture and industrial polymers.

Pre-tax profits, up from £3.53m to £4.51m, were struck after adding in a £302,000 (£747,000) contribution from the associates and deducting depreciation of £4m (£3.77m) and interest of £2.89m (£3.33m).

Tax accounted for £413,000 (£643,000) to leave net profits £1.21m higher at £4.09m. Available profits emerged at £4.05m (£2.86m) after taking account of minorities of £45,000 (£26,000).

From earnings of 30.3p (39.2p) the final dividend is being lifted to 3.5p (3p) for a net total of 5.7p, against 5p, on the enlarged share capital.

Lord Farnham, the chairman, says tyre market conditions were and will remain as competitive as ever but determined action to reduce costs enabled Avon's tyre manufacturing and marketing companies to show a useful improvement.

Problems in the European motor industry held back the automotive component business early in the year but, with an increasing market share, the position recovered.

Demand from other industry sectors grew strongly.

● comment

Avon Rubber's shares had seen a fair amount of buying in advance of these figures, but the gap between forecasts made at the interim stage and the profits delivered yesterday proved a sobering influence and took the price down 20p to 310p. Avon was hit on several fronts. The associates were well down, Kenya in particular suffering an adverse comparison with a strong 1984; the tyre operations were hit early in the year by the coal strike and disputes in the car industry; and Avon Lipyatt Hobbs is the victim of public spending cuts. The current year should see strong growth in a number of core activities, but set against this will be the cost of reorganising the Motorway tyre service operation and the disruption and capital spending involved in introducing cost efficiency measures at two of the group's factories. Profits seem unlikely to go beyond £6.5m, putting the shares on a prospective p/e ratio of 8 after a 20 per cent tax charge—fully valued unless and until the US contract for respirators comes through.

GRAINGER TRUST, the USM quoted property investment and trading group, raised pre-tax profits to £1.93m (£1.62m) for the year to September 30 1985. Earnings per 25p share were 26.6p (19.7p) and the dividend is 6.5p (5.25p) net with a 5p final. Net asset value, reflecting property valuations, was £4.65 per share (£3.59).

Illingworth Morris ahead 63% halfway

FURTHER progress is reported by Illingworth Morris, the wool textile manufacturing group. In the half year ended September 30 1985 the pre-tax profit has surged from £1.88m to £3.06m, and an interim dividend of 1.25p net is being paid.

In the three years since March 31 1982 the group has produced profits of £21,000, £2.37m and £4.14m. In the same period it has repaid over £20m bank borrowings and its indebtedness is now some £1m—the main bankers have released their security of a first fixed and floating charge, the directors state.

External sales rose nearly £5m to £49.68m and the operating profit was up from £1.97m to £3.04m. The group has sold its South African investment and the weaving operations of Illingworth Morris (Saltaire). The extension of the Crombie range to bring it nearer to the consumer had an encouraging start.

The group has plans to spend £5m on capital account in 1985-86, and £3.7m is already committed. The strong cash flow is expected to continue so the expenditure can proceed without materially affecting the present cash position.

After tax £815,000 (£265,000) and minorities £60,000 (£59,000) the earnings are shown at 5.3p (3.8p) per stock unit. There is an extraordinary credit of £17,000 (£2,000) which takes in the profit on disposal of the South African investment, profit on sale of surplus properties, and estimated costs of reorganisation.

Ultimate holding company is Alcra field Holdings, the capital of which is beneficially held by Mr A. J. Lewis, chairman and chief executive of Illingworth.

● comment

Since gaining control of Illingworth Morris two years ago, Mr Alan Lewis has done everything right, as is shown clearly by these results. Repair of the balance sheet, his first priority, has been well and truly accomplished, and despite a £10m capital expenditure programme over the last three years, the company should be cash positive by year end. All the loss making operations have been taken care of, and the emphasis is now on getting a lead in technology and building consumer loyalty for increasingly upmarket product ranges. While most of its activities are already responding to the treatment, there should be more to be squeezed out of gross margins as the benefits of heavy investment are felt, and as the switch to higher valued added products continues. Although a fairly small part of the total, Crombie provides the focus for the market's attention, as following a revamping in the design, manufacture and marketing of the Crombie range, it is hoped that Illingworth Morris might one day become another Burberry. Given a seasonally weaker second half, full year profits should be about £5.8m, which after 26 per cent tax, would imply a modest p/e ratio of 9 on the shares at 96p.

J. A. DEVENISH, West Country based brewer, was hit by bad weather and greater than expected reorganisation costs in year ended September 27 1985. Turnover £24.47m (£23.35m) and pre-tax profit £1.87m (£2.06m). Earnings 35.9p (37.3p). Profit attributable £1.27m (£929,000) and final dividend 10.25p for net total of 13p (11.5p). All production now carried out at Redruth, and directors studying plan for comprehensive development of former Weymouth brewery site.

US sales help lift Wellcome to £122m

By Tony Jackson

THE WELLCOME FOUNDATION, the private UK drug group which has its stock market flotation planned for January 29, has increased its profits for the year to August by 37 per cent to £121.7m before tax, against last year's £89.0m.

Profits growth in the second half, at 11 per cent, represented a marked slowdown from the 65 per cent jump in the first half.

Wellcome said the difference was primarily due to currency movements. Sterling began the reporting year at $1.31, rose to $1.05 at the half way stage and fell back to $1.39 at the close. North America contributed 73 per cent of the year's trading profits, on 45 per cent of sales.

Wellcome estimated that currency had contributed 6 per cent to sales (up 25 per cent at £1m), and 11 per cent to pre-tax profits. The chief reason for the rise in profits, however, had been the performance in the US.

Among prescription medicines, the anti-herpes drug Zovirax increased its worldwide sales from £27m to £62m. US sales were some $48m, and Mr William Sullivan, head of US operations, said he expected sales of $60m this year. "The eventual target is at least $120m." Mr Sullivan said.

Over-the-counter (OTC) medicines did particularly well in the US as a result of heavy consumer marketing. Wellcome said that in 1982-83, when it was first decided to advertise the cough medicines Actifed and Sudifed on TV, OTC sales in the US had been $68m. Sales were now $150m, and the two Wellcome products had moved to brand leadership.

Mr Alfred Shepperd, group chairman, said that growth in the past year had been achieved without any new product launches. "I don't think this year will see any significant product launches either," he said.

Coopers Animal Health, the new joint venture with ICI, made losses before tax of £8.2m, of which £6.4m were start-up costs. Mr Shepperd said that despite market difficulties, he was much more optimistic about the business than he had been six months before.

The group said arrangements had been made to register Wellcome shares in the US in time for the January flotation, but this was solely for the benefit of Wellcome's 3,500 US employees.

There are no immediate plans to seek a US listing. Mr Martin Brookman, Wellcome's finance director, said "a US listing would need full treatment, including a roadshow, and we have too much on our hands already."

There is likely to be a preliminary or "red herring" prospectus ahead of the issue. However, Wellcome said that due to currency uncertainty the prospectus would not include a profits forecast.

It was pointed out that if the dollar maintained its present level, the group's US operations would have to increase profits by 16-17 per cent merely to equal last year's level in sterling. However, analysts expect the current year to show an increase in sales volume.

See Lex

Sears denies BHS rumours

Sears Holdings, the Dolcis, Saxone and Selfridges retailing group, yesterday denied persistent stock market rumours that it was preparing a counter-bid for British Home Stores. BHS last week agreed a £1.52bn merger with Habitat Mothercare.

Mr Geoffrey Maitland Smith, Sears' chairman, issued a statement to the Stock Exchange stating: "We are not presently poised to make a bid for British Home Stores."

That did not mean Sears might not make a move if circumstances altered but, he said, "as of this moment the rumour is unfounded."

He added later: "It looks to me as if this merger will go through, unless someone comes in soon on an aggressive basis." Mr Maitland Smith said however that he did not want to make an unqualified statement that there would not be a bid from Sears, because the BHS-Habitat talks might break down or something else might happen to prevent the agreed merger going through.

"I want to be free to allow us to do something if necessary," he said. "BHS is an interesting situation but it looks very expensive to me."

Habitat Mothercare and BHS announced on Tuesday of last week that they had agreed a merger which would create a retailing group with turnover of more than £1bn and with nearly 900 stores.

Sears' shares closed 2p lower at 109p, while BHS rose 4p to 426p.

Saatchi exceeds forecast with surge to £40m

Saatchi & Saatchi Company, Britain's largest advertising agency, hoisted pre-tax profits from £18.31m to a record £40.45m in the year to September 30 1985, which exceeded the £38.3m forecast in April. Turnover expanded from £855.43m to £1.31bn.

Revenue more than doubled from £146.69m to £301.58m. Adjusted earnings per 10p share were shown ahead from 28.4p to 45p and the final dividend is 8.7p for a total payment of 13.99p, against an adjusted 9.03p which excludes exceptional income equivalent to 0.9p.

Mr Maurice Saatchi, the chairman, says he is confident that 1986 will be another record year for the company.

Mr Maurice Saatchi, the chairman

The 1984 results exclude an exceptional gain from the release of accrued income from listed money funds of £1.72m pre-tax (£1.15m after tax) equivalent to earnings per share of 4.2p.

Tax charge was £15.8m (£7.68m) and after minorities, attributable profits came to £24.09m, against £10.33m.

The chairman says all divisions of the company and all geographic regions performed well in the year. The communications division accounted for 70 per cent of total revenue and 71 per cent of pre-tax profits, while consulting activities contributed 30 per cent and 29 per cent respectively.

Geographically, the UK accounted for 24 per cent of revenue and 29 per cent of profit, the US for 62 per cent and 58 per cent, and the rest of the world for 14 per cent and 13 per cent respectively.

Mr Saatchi says a fine contribution has been achieved by new parts of the group, particularly the Hay Group which achieved all its targets agreed at the time of the acquisition in November, 1984.

Its operating margins improved from 11.5 per cent to 14 per cent.

Overall pre-tax margins increased from 12.4 per cent to 13.4 per cent.

In the six months from April to October 1985, the first in which the company has been operating under the present management structure, over $60m of new business flowed into group companies as a result of cross referral or introduction of clients from one part of the business to another.

The company has reinforced the management team ahead of future growth.

It has been streamlined into two divisions and Mr Anthony Simonds-Gooding has been appointed to run the communications operations.

Dr Milton Rock has taken up the chairmanship of the consulting division and is developing plans to take the company into all the key areas of consulting.

See Lex

Pegler-Hattersley profit slips

THE RECESSION in South Africa and the fall in the value of the Rand were greater than Pegler-Hattersley expected, and the effect on the half year ended September 28 1985, was to reduce the group's profit from £8.38m to £8.25m.

In sterling terms earnings from South Africa fell by some £1.5m in the period to less than 10 per cent of group profit.

As for the second half, the directors say activity in that country is likely to stay depressed, but they expect the improved conditions experienced in other operations to continue.

The group manufactures and distributes industrial valves, controls, building products, and rubber components. Turnover in the period rose from £75m to £82.68m, resulting in a trading profit of £5.59m (£4.55m) for the group and £1.79m (£2.92m) for related companies. Net interest receivable came to £872,000 (£910,000).

After lower tax £3.31m (£4m) earnings work through at 16.2p (14.3p) per share, and the interim dividend is raised to 5.75p net (5.25p). For the year ended March 31 1985 pre-tax profit was £18m and the final dividend 9.25p.

The directors report that distribution operations showed a substantial increase in earnings; results from the industrial companies were mixed but earnings in total improved and benefited from the purchase of Nulectrohms.

In building products markets were less strong than elsewhere and earnings were lower. The general fall in metal prices affected earnings but recently demand has picked up.

Sales and earnings in valves increased as demand improved. Process plant spending continued to expand and sales of steel valves, in particular, rose strongly, both in UK and overseas.

Markets for heating and ventilating valves were also good and order books strengthened. Rationalisation of plug valve manufacture within the division was completed and installation of the new flexable manufacturing system at Ormskirk, is underway.

Earnings from New Zealand and Australia improved substantially, they report.

The integration of Satchwell and Sunvic and N. T. Controls has involved short term costs, but both are operating profitably.

● comment

The falling rand has hurt Pegler-Hattersley — the sharp fall in profits from related companies arising totally from its 37.5 per cent stake in CHI of South Africa. And this is a position few can expect will improve in the short-term. The group's £23m cash pile has been dented by the £13.5m spent on acquisitions, mainly for Satchwell Sunvic in June, and rising capital expenditure. The latter could total £8m this year against £6.6m last time. Downward movements in the price of copper, the group holds significant finished and unfinished stocks, cost the trading account £500,000. But short of its US problems, Pegler has to look a solid performer which will in time be able to branch out thanks to the electrical input from Satchwell. It may soon wish for something more substantial in this or the more directly DIY related field. For this year, however, the South African difficulties have led analysts to trim forecasts and £19m looks to be the top end of current expectations. The shares at 317p, down 11p, are reasonably well supported on a prospective p/e of 8.5 (40 per cent tax) by a yield of 6.8 per cent.

Holmes & Marchant tops forecasts

Holmes & Marchant, the Buckinghamshire based marketing consultant, has beaten the profit forecast it made at the time of its USM placing last May, and in response is to increase the final dividend to 2.2p, compared with the 2p it then expected to pay.

The taxable profit for the year to September 30 1985 came to £1.03m, a 53 per cent rise on the comparable period and some £90,000 ahead of the listing projection. Mr John Holmes, group chief executive, says the current year has started well and he is confident that the enlarged client base will contribute further to the growth and expansion of the business.

Despite the good result and the confident tone of the statement, the shares fell back 10p on the day to close at 375p, still 75p above the placing price. Earnings per share for the year came to 15.7p against 9.5p, a 65 per cent rise.

Along with the results, the company also announced its entry into computer aided promotional development following the setting up of Electronic Marketing Systems (UK), a joint venture company with EMS.

This joint venture has just started a major sales campaign and will be offering its services initially to existing clients and then to a wider audience particularly companies in the retailing, fast food, travel, petrol and financial services sectors.

Mr Jim Raper quits Specialeyes' chair

Mr Jim Raper, the financier, has resigned as chairman of Specialeyes, the OTC stock now establishing itself as a chain of dispensing opticians.

In accordance with a prospectus dated last March, Mr Raper's 49.1 per cent shareholding has been placed with a number of financial institutions and private investors.

Bowater shares up

Shares in Bowater Industries, the paper group, closed 12p up on the day at 340p last night following confirmation that Hanson Trust had lifted its stake in the company from 8 per cent to 10.01 per cent. Hanson's only comment was that the stake was "an investment."

Yarrow

The board of Yarrow, the marine engineering group, yesterday confirmed its opposition to the £18m takeover bid launched for it on Monday by Weir Group, its Glasgow neighbour.

Godfrey Davis expands in non-motor side

WITH THE residential park homes and Rent-A-Unit portable buildings divisions continuing their expansion, the Godfrey Davis (Holdings) group has lifted pre-tax profit by 45 per cent to £2.45m in the half year ended September 30 1985.

The chairman, Mr C. Redfern, says as the group moves into the final quarter of the year he sees no reason why there will not be record profits for 1985-86.

Turnover rose from £51.95m to £55.82m, or by 7.5 per cent. The profit was struck after substantially increased interest charges of £871,000 (£409,000). Tax takes £882,000 (£676,000) to leave the net profit at £1.57m (£1m) equal to 6.2p (4.4p) per share.

The interim dividend is raised from 1.25p to 1.5p net, after adjustment for a scrip issue.

Mr Redfern expects shortly to announce the purchase of a further residential park which, when taken with the other recent acquisitions, will bring the total invested in this division in 1985 to nearly £3m.

● comment

Godfrey Davis is such a well known name that it has to underline that it is not involved in daily car hire, caravans, holiday homes or the leisure market. It is expending in residential park homes—with 3,300 units expected to be in place before the year end. Elderly home owners are apparently attracted to these—and the capital gain to be made in swapping bricks and mortar for GD's £10,000 to £35,000 dwellings. The monthly rental on the plots should constitute a growing source of revenue over and above the sale of the homes. On its Ford dealership the group is clearly feeling something of a squeeze as the motor company offers cheap financing terms to purchasers. This muddies the waters of the second-hand market and makes necessary a conservative treatment of residual values on the contract rental fleet. However, the group has some useful property disposals up its sleeve via the extraordinary credit this time round on the sale of the Neasden workshops. For the full year Godfrey Davis should make £4.5m which suggests a prospective multiple of 10, given a 35 per cent tax charge, which seems about right for the shares on 98p, up 4p.

Maxwell hopes to thwart GPG

BY CLIVE WOLMAN

MR ROBERT MAXWELL, the publisher of Mirror Group Newspapers, yesterday extended his diverse interests into financial services by acquiring a 5 per cent stake in Britannia Arrow Holdings, currently the target of a £220m take-over bid from Guinness Peat Group.

Mr Maxwell said he bought the shares, worth £10.2m, at the request of Britannia Arrow's chairman Mr Geoffrey Rippon "to help in their defence against the unwanted, opportunistic and inadequate bid" from the banking and investment group. Mr Maxwell added: "The GPG bid is an example of unhealthy merger mania, where an attempt is being made to swallow up a thriving and very successful business on the cheap."

Mr Alastair Morton, Guinness Peat's chief executive, was dismissive of the move. "It is seedily appropriate that Rippon and Maxwell should get together," he said. "Robert Maxwell is not the most likely entrant into the financial services sector. I don't think the Bank of England would like it if he got control of a merchant bank." Britannia Arrow owns the merchant bank, Singer and Friedlander.

Mr Morton added: "Since Britannia's share price slipped below the value of our share offer on Friday, Rippon has become increasingly desperate." In response to the announcement, Britannia's share price rose 5p yesterday to 147p, about 1p above the value of the Guinness Peat offer.

Mr Maxwell said that Mr Rippon was informed that a US cabinet minister, was "an old friend." He is also a chairman of a subsidiary of Mr Maxwell's Pergamon Group.

Mr Maxwell was with Mr Rippon at a committee meeting connected with the European Community yesterday when Mr Ripon was informed that a US institutional shareholder in Britannia Arrow wished to sell its 5 per cent stake. He told Mr Maxwell, who agreed to buy the stake at slightly below its market value.

Mr Michael Newman, Britannia Arrow's chief executive, said last night: "No one could persuade Maxwell to part with £10m unless he thought it was a good investment. Maxwell has recognised that Guinness Peat is going to have to make a higher offer and he is trying to make some money out of it. He has a substantial contribution to make in getting the bid up higher."

Guinness Peat's current offer expires on December 17.

Mr Robert Maxwell . . . sees 5 per cent Britannia Arrow stake as a defensive move.

Geevor Tin warns of substantial lay-offs

By Kenneth Marston, Mining Editor

CORNWALL'S Geevor Tin Mines said yesterday that unless the adverse effects on its cash flow of the tin crisis were significantly eased by the end of this month, it might have to lay off a substantial proportion of the workforce of 377 people.

This warning coincided with the company's interim results, which showed net profits for the six months to September of £161,000, or 5.3p per share, compared with £178,000 last time.

Following the suspension of trading in tin on the London Metal Exchange on October 24, the mine has been paid provisionally only low interim prices for the greater part of its output. It has also been unable to close out the maturing forward sales contracts.

In order to conserve cash resources the company is not declaring an interim dividend. It is also looking into methods of financing projects designed to lower its mine break-even costs and survive.

During the first half of the current year, before the tin crisis erupted, Geevor received an average tin price of 9,342 per tonne. This gave a profit of £737 per tonne of which £87 represented forward sales.

Geevor shares fell to a year's low of 74p yesterday before closing unchanged on balance at 77p; the 1985 high was 250p.

SGB fights back with £18m forecast

BY MARTIN DICKSON

SGB, the scaffolding company fighting a £120m takeover bid from BET, the services group, yesterday forecast record pre-tax profits of not less than £18m in the year to next September—up at least 33 per cent on its estimate for the year just ended.

The announcement came just two days before the first closing date of the bid, and with the SGB share price languishing below the value of BET's offer.

BET commented that "this is obviously a panic measure and it is not very credible only eight weeks into their trading year."

Only last week SGB announced a 23 per cent rise in pre-tax profits for the year to last September, and said it was preparing a detailed forecast for the current year. It also announced plans for a 19 per cent dividend increase for 1984-85 and said it expected to propose a further 33 per cent rise in the current year.

Mr Clive Beck, SGB's deputy chairman, said the company was now free of loss-making activities at home and abroad which had reduced pre-tax profits in 1984-85 from £15m to £13.5m. This, coupled with the improved outlook for the European construction industry, explained why it could confidently make its current year forecast.

SGB shares closed last night at 262p, up 4p on the day. But that remains below the 276p value of BET's three-for-four shares offer, on the basis of BET's close last night of 368p, down 4p.

OFT advises on Elders' bid

The Office of Fair Trading yesterday delivered to Mr Leon Brittain, the Trade and Industry Secretary, its confidential advice on whether or not the £1.8bn takeover bid by Elders IXL for Allied-Lyons should be referred to the Monopolies Commission.

The DTI could give no indication as to when Mr Brittan would announce a decision on the bid, which reaches its first closing date next Monday.

The nature of the bid has provoked considerable pressure among MPs for a referral to the commission, on the grounds that it raises issues of public principle.

Sir Derrick Holden-Brown, Allied's chairman, said yesterday that the company intended to see off Elders on its own, but the bid nevertheless raised issues that "I think the Government will find of considerable interest."

Elders argues that a takeover would increase competition and the bid should not be referred.

Pound cuts Colloids profits by £2.3m

THE PROBLEMS of last year continued into this for Allied Colloids Group, the Bradford-based industrial chemicals group, and were aggravated by the strengthening of the pound. Following a fall in taxable earnings in the second half of last year there was another fall in the six months to September 28 1985.

On turnover up by 15 per cent from £48.87m to £56.08m, pre-tax profits fell by 23 per cent to £8.23m against £10.65m. That was slightly above market expectations, however, and the shares closed at 140p, up 13p on the day.

From earnings per 10p share down from 5.06p to 4.27p, the group is paying an unchanged interim dividend of 0.7p. Last year there was a total payment of 2.3p from pre-tax profits of £19.3m.

The directors say that currency movements were estimated to have cut profits by £2.3m. And despite the end of the miners' strike, which affected last year's results, the competitive pressures had not abated.

They add that demand continues to grow and new plant is coming on stream to satisfy that and improve efficiency. They expect to be able to maintain performance for the year provided there is no significant strengthening of sterling.

Spear & Jackson's £5m garden tools acquisition

BY CHARLES BATCHELOR

Spear & Jackson, the garden and hand tool manufacturer which is fighting off a £15m takeover bid from James Neill Holdings, is to acquire the garden tools division of Falron Industries for £5.15m in cash and shares.

The proposed purchase of Falton's Jenks & Cattell subsidiary, which includes a factory making pressings for the automotive industry, and of the garden tool operations of Falron's Burgon & Ball division will double Spear's garden tool sales to £18m.

Mr Leonard Grosbard, managing director of Spear, said considerable cost savings would be made on the merging of the two companies' activities.

Spear does not, however, expect this deal to increase profits in the year ending March, 1986 though a significant contribution to profits is expected the following year.

Jenks, which is the leading UK supplier of own-label garden tools to retailers, made profits of about £550,000 last year while Burgon's garden tool activities contributed about £100,000 of profit, Mr Grosbard said.

But Neill disputed the profitability of the Falron companies and said the total cost of the deal to Spear, including rationalisation costs would be nearly £6.7m.

Spear's shares fell 4p to 246p yesterday. This was 23p below the value of Neill's five-for-three share offer and 4p below the 250p cash alternative. Neill's shares were unchanged at 160p.

Mr Peter Bullock, managing director of Neill, described the Falcon deal as a last desperate attempt by Spear's management. The price paid by Spear for these businesses was ridiculous, he added.

Spear will finance the purchase by the issue of 4m 7½ per cent cumulative convertible preference shares and the payment of £1.16m cash.

Computer companies merge

Electronic Data Processing, the USM quoted mini-computer distributor, announces an agreed £1.53m bid for Business Computer Systems, the computer hardware and software company.

EDP is offering one share plus 11p in cash for every three shares in BCS. On the basis of an EDP price of 67p and a BCS price of 17.5p, the offer values BCS at 26p per share.

The new group will have an annual turnover of more than £13m, some £3m of which comes from computer maintenance. BCS directors, who control more than 50 per cent of the capital, have pledged irrevocable undertakings to accept.

If the offer is fully accepted, EDP's capital would increase by about 23 per cent.

RACAL ELECTRONICS' chairman, Sir Ernest Harrison, sold 50,000 ordinary shares in the company on November 27, at 148p per share.

Robertson Research ahead

Robertson Research, North Wales-based international oil and minerals technical services group, has announced a 55 per cent increase in pre-tax profits for the half year to September 30 1985.

The group, which obtained a listing in March 1984, made profits of £1.81m against £1.17m, on turnover ahead at £10.47m (£9.31m).

The interim dividend is lifted from an adjusted 0.6p to 0.7p. For the year to end-March an adjusted 2.1p was paid on profits of £2.7m.

Net profits, after tax of £724,000 (£466,000), amounted to £1.09m (£699,000) for earnings per 10p share ahead from 2.8p to 4.4p. Extraordinary income added £162,000.

The group has also announced that it will increase its shareholding in ERC Energy Resource Consultants from 20.4 per cent to 66.3 per cent, following an agreement in principle with certain shareholders. Offers are being made to other shareholders which, if accepted, would result in ERC, a specialist petroleum engineering consultancy, becoming a wholly-owned subsidiary.

Its pre-tax profits for the year to March 1986 are expected to be in excess of £350,000 on turnover of more than £3.7m.

COMPANY NEWS IN BRIEF

EXCO INTERNATIONAL: Tan Sri Khoo Teck Puat, the Malaysian businessman who last month bought a large shareholding in Exco, the money broking group, has bought a further 750,000 shares taking his stake to 58.25m or 24.9 per cent. Tan Sri Khoo is understood to be attempting to raise his holding to 29.9 per cent, above which he would be obliged to make a full bid, though he earlier indicated to Exco that a 25 per cent stake was the extent of his ambitions. Tan Sri Khoo is understood to have paid 217p for the latest shares. Exco's shares rose 8p yesterday to 224p.

IEP SECURITIES, the Sydney-based company controlled by New Zealand businessman Mr Ron Brierley, is continuing his purchases of the shares of Molins, the cigarette machinery manufacturer which is attempting a management buyout. It has bought a further 100,000 shares, taking its holding to 2.7m or 9.2 per cent. Molins shares were unchanged yesterday at 173p, 3p above the level of the buy-out terms.

FEEDBACK, the USM-listed maker of computer peripherals, saw pre-tax profits in the six months to the end of September 1985 improve from £4,862 to £45,719 on turnover up to £4.48m (£3.71m). Earnings per 10p share came out at 0.025p (loss 0.09p) and the interim payment is unchanged at 1.25p. Improvement continued at Feedback Instruments and Feedback Data but there were losses at Feedback Inc and Powertran Cybernetics, where action was taken to cut costs.

OSBORNE AND LITTLE, a designer and distributor of wallpapers and fabrics, made a profit of £404,000 (£241,000) from turnover £2.65m (£1.67m) in the half year ended September 30 1985. Significant improvement is expected in the year's results (last time the pre-tax profit was £763,000). The integration of Tamesa Fabrics should be completed next month. A branch is being set up in the US for operation in late spring. Interim dividend is 1p (nil).

LEOPOLD JOSEPH Holdings' board reports that pre-tax profits for the half year to September 30 1985 show a distinct advance over last year's corresponding period. The full year outcome is likely to be successful and fully reflect the continued soundly based growth of the business. The net interim dividend is 2.812p (1.875p)

GEE/ROSEN Organisation, the men's fashions group, improved profits by 67 per cent in the six months to September 30 1985 on turnover up at £4.78m against £3m. The interim dividend from this USM quoted concern is raised by 10 per cent to 0.55p per share, with earnings per share at 1.2p (0.8p). The directors anticipate that the annual pattern of higher turnover and profits in the second half will be maintained.

Mountview Estates, property investor and dealer, made profit of £2.84m in half year ended September 30 1985, compared with £2.46m, on turnover of £4.13m (£3.59m). Earnings were 31.2p (27.1p) per share and the interim dividend is held at 1p net.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Allied Colloids ......int.	0.7	Feb 28	0.7	—	2.3
Avon Rubber	3.5†	Feb 11	3	5.7	5
BOC Group	5.53	April 3	4.55	8.38	7.7
City of Dublin Bank ...	2.24¶	—	2.24	3.2	3.2
Coalite Group ......int.	2	Feb 10	1.78	—	6.43
Godrey Davis ....int.	1.5	—	1.25*	—	3.75*
J. A. Devenish	10.25	Jan 23	9.25	13	11.5
Equity Consort ......int.	3.5	Jan 17	3.5	—	11.2
Feedback ....int.	1.25‡	—	1.25	—	2.75
Gee/Rosen ....int.	0.55‡	—	0.5	—	1.5
Grainger Trust	5‡	—	4	6.5	5.25
Hardanger	7†	Jan 17	7	9.8	9.8
Holmes & Marchant ...	2.2‡	—	—	2.2	—
Illingworth Morris int.	1.25	Jan 7	Nil	—	1
Leopold Joseph ......int.	2.81	Jan 19	1.88	—	11.25
Mountview Ests. ...int.	1	March 24	1	—	4.5
Pegler-Hattersley ...int.	5.75	Jan 31	5.25	—	14.5
PWS Internatnl. ...int.	3	Jan 31	3	—	9
Robertson Research int.	0.7	Jan 3	0.6*	—	2.1*
Saatchi & Saatchi	8.7	April 7	5.7*	13.99	9.03*††
Christian Salvesen int.	1.25	Feb 10	0.81‖	—	2.88‖
Trans-Oceanic Tst	2.65	Feb 21	2.2	3.85	3.2
TR North America int.	0.5	Jan 7	0.5*	—	1.83*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Irish currency. ‖ Adjusted for sub-division and scrip issue. †† Excludes adjusted 0.9p exceptional income.

UK COMPANY NEWS

Coalite ahead of City expectations at £13.2m

THE EFFECTS of the miners' strike, wbich ended in March, lingered oo into the early part of the financial year for Coalite Gronp.

The immediate difficulties were quickly overcome, however, Mr Eric Varley, chairman, stotes, and for the six months to end-September 1985 pre-tax profits rose by nearly 22 per cent from £10.88m to £13.24m, which is about £1m better than Cily expectations.

As usuel, results for the second holf will depend to a great extent on the winter weather and on consumer activity. The Derbyshire-based group has interests which include solid amokeless fuel, oil and chemical processing vehicle building, warehousing and shipping services.

Total group turnover improved from £193.43m to £209.75m, ond the chairman says that coalite sales were buoyant os merchants restocked after the dispute. The long-term impact of the strike on the solid fuel market remains to be seen, however, be adds.

The net interim dividend is lifled by 0.22p to 2p, covered more than four times by stated earnings of 8.83p (6.96p) per share. A total of 6.43p was poid in 1984-85 on profits of £33.47m.

Cbarringtons Fuels henefited from the improvement in availability of solid fuel, wbile the fuel olls activity sbowed a slight decrease in volume.

Vehicle distrihution showed some improvement, aod the Dundee Perth and London Shipping operations increased profits over the previous period when they had heen affected by dock disputes.

Transport and warehousing agaio made progress. Mr Varley says, and the Falklands Islands Company subsidiary continued to eojoy good trading condirions.

After higher depreclation of £3.31m (£2.86m), group operating profils emerged at £9.72m (£8.07m). Interest and similar lncome amounted to £3.52m (£2.82m). Tax took £5.56m (£4.9m).

● comment

Although the first balf at Coalite was much betler than onalysts had bargained for, the market's reoction was felrly cool and the sharea edged up 3p to 274p. Mucb of thc 22 per cent lncrease in profits was due to restocking after the coal strike, and an advance of similar magnitude can not be expected for the year as a whole. It will taka tha peak winter season to prove wbether the miners' strike has done permanent damage to consumption of solid fuel, hnt if Octoher's demand is anything to go by the upsbot may not be too serions. Meanwhile, all the other businesses are doing well with the exception of building merchanting and fuel oil dietribution wbich compared unfavourably to an exceptionally etrong first balf last year. As usual, profits for the full year will depend heavily on the severity of the winter, but assuming overage temperatures, Coalite should make ebout £40m, which would imply a fair p/e ratio of about 10 (after o 42 per cent tax charge). The etrength of the halance-sheet is hecoming almost an embarrassment with about £5m to £10m likely to be added to the cash mountain by year end.

Setback for City of Dublin Bank

HEAVY PROVISIONS for bad debts have severely dented the profits of City of Duhlln Bank for the year ended September 30.

At the pre-tax level they fell way below expectations, emerging ot I£286,089, compared witb the previous year's I£706,371.

However, the current 12 months are expected to ehow a great improvement and with thls in mind Mr Thomas Kenny, the bank's chairman, is holdlng the dlvidend at 3.2p net with a same-again final of 2.2375p. The balance sheet is described as "very strong."

Shareholders are told that the provlsions may bave heen over-done and that they reflect the economic scene ln Ireland.

Gross revenue for the year fell from £18.8m to £14.13m. Expenses were cut by £500,000 to £3.76m and interest charges by £3.74m to £10.15m.

Associates contributed £139,307 (£51,601) but redundancy costs this time accounted for £70,894.

Tax dropped from £458,390 to £108,173 and left net profits at £177,916, compared with £247,981.

Rationalisotion costs of £296,421 were treated as an extraordlnary item.

Competition at tha instalment credit business caused e reduction in profit margins.

Offer will raise £331m for C & W

FULL DETAILS of thc £933m offer for sale of shares in Cable and Wireless are published today, giving investors until December 11 to decide wbether they want to buy shares in the fast growing telecommunications group.

Of the 146m shares being offered at 587p by J. Henry Schroder Wagg and Klienwort Benson, 102.5m are being sold by the Government, while the remainder will raise £331m for the company.

Under a novel clowback provision, as many as two thirds of the shares will he made available to the public, existing shareholders and to employees, depending npon the level of oversubscription of the issue.

Cable and Wireless, one of the world's leading international telecommunications groups, was privatised in November 1981, since when profits have grown at a compound rate of 40 per cent to reach £245m in the year to March 1985 on sales of £862m.

At tbe offer price the shares are on a price earnings multiple of 18.4 times, and yield 2.3 per cent.

The shares are 300p payable on application, with the balance dne on March 7 1986. The price represents a 5 per cent discount to the elosing price of 618p on Monday.

Application lists open at 10 am on December 11. Brokers to the issue are Rowe & Pitman and Cazenove.

● comment

A discount of only 5 per cent to the existing share price might seem o little tight for the second largest equity issue ever attempted. However a fall in the shares immediately before the issue was priced, knocked the froth off the market to leave the resulting 587p offer price low enough to ensure that, failing a collapse in the market between now and the closing date, the issue is comfortobly oversubscribed. This is no British Telecom, however. A price earnings ratio of 18 does not leave much room for immodest appreciation in the short term, so that punters will need the leverage provided by the partly paid provision. It is for the longer term investor that the attractions of the issue are greatest: Cable and Wireless is expected to prodnce profits growth at a rate of about 20 per cent over the next few years, accelerating towards tha end of the decade as Mercury becomes an important contributor. In the event of huge oversubsciption, the neat clowhack arrangement should pre-empt an unseamly scramble for shares in which nobody receives a large enongh allocation to make the exercise worthwhile.

Yearlings total £5m

Yearling bonds totalling £5m at 11$\frac{3}{16}$ per cent, redeemable on December 10 1986, have been issued hy the following local authorities: Basingstoke and Deane Borough Council £0.25m; Ipswicb BC £0.5m; Merthyr Tydfil BC £0.5m; Castle Point District Council £0.25m; Scunthorpe (Borough of) £0.5m; Kirkcaldy DC £1.5m; Adur DC £0.5m; South Derbyshire DC £0.25m; Tamworth (Borough of) £0.5m.

Christian Salvesen advances 7%

THE FIRST set of results from Christian Selvesen since it came to the market in July, show that the food dlstrlbution, building and industrial services group raised interim pre-tax profits by 7 per cent from £17.94m to £19.27m. Turoover for the six months to September 30 1985 was 13 per cent bigher at £133.66m.

The company says it looks as if the full year will show an improvement over last year's £33.4m pre-tax, mucb in line wlth its expectations at the time of the prospectus.

The Edinhurgb-based group also announces the acquisltion in the US of the assets currently operated as United Packing Co. This company operates a frult packing etation near Fresno, Callfornia, and provides a range of servlces to fruit growers and retailers. The cost, which is partly dependent on future profit performance, is expected to be some $9m (£6m).

Salvesen will take a majority interest of 86 per cent in a new company, United Packing Company Incorporated, wblch will own the fruit packing station. Salvesen will also leke a 33 per cent minority stake in another new company, Unlted California Farms, which will own six fruit farms in the San Joaquin valley, providing part of the fruit supply to the jocking stetion.

The acquisitions ore being carrled out in association with Anglo American Agriculture—in which Salvesen owns a minority interest—which will provide lead management for the farming Investmeot. Other investors in the farm company include James Finlay and Plantation Trust Company.

The rontrihntion to Salveson's operating profits in the full year is expected to be about $1.5m. The acquisition will be financed from lts cash resources.

While first-half operating profits were littla changed at £18.81m (£18.84m) pre-tax results benefited from an interest credlt of £456,000, against a £902,000 charga. After tax of £7.68m (£7.58m), minorities and preference dividends, attributabla profits were up from £10.17m to £11.39m.

Earnings per 25p share rose from an adjusted 4.03p to 4.32p. The interim dividend is 1.25p net, which the company says should not be compared with last year's adjusted 0.81p, which due to the exceptional circumstances of the flotation was a very low proportion of the total 2.875p. The current interim bas been raised to correct this.

Profits from food-reloted activities increased from £10.8m to £11.06m. Marine and industrial operations, including oil and gas, added a higher £3.35m (£2.59m), but the propertias contribution fell from £3.93m to £3.26m. Other income totalled £1.13m (£1.53m).

● comment

CHRISTIAN SALVESEN never promised to set the world on fire when it camc to the market last summer, and in fact it bas done creditahly just to keep the embers glowing. This year's depressed first half compares with one last year which was given an exceptional boost by good weather and forward sales of honsing. In the second half it will he too early to expect any net contribution from the new acqulsitions, but improvements in existing activities and a swing into profit for the Great Valley store should be enough to restore the bias towards greater second-half profitahility. For the full year some £38m is in sight, putting the shares, at 139p, on a prospective p/e ratio of 16 after a 40 per cent tax charge—undemanding in the light of the solid growth prospects.

Cape Industries makes £1.6m profit midway

THE MAJOR restructuring at Cape Industries is beginning to show through in a return to profits. The group is now engaged in building products and industrial contracting, and for the six months ended September 30 1985 bas acbieved a profit of £1.81m on turnover of £71.44m.

Mr J. W. Herbert, the chairman, says actions taken over the past 15 months bove put the group into a better position to meet the continuing competitive markat conditions.

Building products achieved turnover of £28.5m and trading profits of £3.15m, compared with £42.5m and £4.27m in the nine months ended September 30 1984. The chairman considers this another excellent performance in view of the depressed market ronditions in some sectors.

Turnover in industrial contracting was £43.68m (£67.26m) and profit £600,000 (loss £731,000). Excellent results came from the UK scaffolding operation but other octivities rontinue to disappolnt, mainly because of additional provisions being required against earlier contracts wbere claim settlements continue to be difficult, Mr Herbert explains.

There were lntra-divislon sales of £741,000 (£569,000) and discontinued businesses last time produced sales of £55.5m and losses of £5.03m. Pre-tax loss for the nine months of 1984 was £5.55m from a total turnover of £164.75m.

Tba company reorganlsed its capltal earlier this year and relocated lts head office to Watford. The chairman seys overall the provision of £32m made for extraordinary charges at Morch 31 last looks to be adequote.

At September 30 the capital employed stood at £51m, against £64m six months' earlier, and this was financad by ebareholders' funds £33m (£22m) and net borrowings £18m (£42m).

The half year profit wes struck after £700,000 (£975,000) compensation for industrial disease. After tax £85,000 (£550,000), minorities £53,000 (£78,000) and last year extraordinory charges of £27m, the retained profit is £1.3m (deficit £33.18m). Earnings are 4.4p and fully diluted 3p.

Charter Consolldoted bas o controlling interest

CHI rises 30% to £653,000

CH Industrials, an industrial holding company, has notched up a near 30 per cent increase from £503,000 to £653,000 in taxable profits for the six months to September 28 1985.

Turnover improved by nearly 40 per cent to £14.03m hut the taxable profit advanca was retarded by a lower contrihution from property and investment and higher interest charges.

Mr Tim Hearley, the chairman, soys that interest charges, however, will be lower in the second holf, which should also benefit from the full effects of the recent rights issue.

The interim profit lmprovement was split between chemical and polymer products, wbich contrihuted £906,000 (£694,000), and specialist engineering and design, whicb contributed £314,000 (£118,000).

A higher interim dividend of 0.5p, against 0.45p, is being paid. This is covered nearly five times hy earnings per share of 2.38p (2.79p).

A net contribution of £55,000 from the group's 29.3 per cent stake in Banro Industries was included in the results. However, CH's abortive takeover ottempt of Banro rost £293,000, which reduced attribntable profits to £204,000 (£468,000).

Regarding prospects, the chairman says that an increased level of business is continuing. Profits in the 1984-85 year were £1.45m pre-tax on turnover of £22.77m.

BOARD MEETINGS

TODAY

Interims: Caetinge, Edbro, Ferranti, Fine Art Developmants, Hargreeves, Investment Co. Property and Reversionery Investments. Rowlineon Securities, Scape, Smith end Naphew.

Finals: Bass, Fairline Boats, Haneon Trust, Mercnry Selected Merket Trust.

FUTURE DATES

Interims:

AET	Dec 12
Astleys	Dec 19
Braithweite	Dec 11
Breeway	Dec 12
Eueton Centre Properties	Dec 6
Fleming Overseas Inv Tst	Dec 10
Forminster	Dec 20
Internetionel Leisure	Dec 10
Merling Induelriee	Dec 11
Preedy (Alfred)	Dec 9
RFD	Dec 10
Syltone	Dec 10
Viewplen	Dec 12
Wetson (R. Kalvin)	Dec 6
Woodhead (Jones)	Dec 13

Finals:

Albion	Dec 11
Crystalate	Dec 12
Flexello Castors end Wheels	Dec 11
Hardys and Hansons	Dec 12
Sidlaw	Dec 12
Stakis	Dec 11

U.S. $100,000,000

The Sumitomo Trust Finance (H.K.) Limited

(Incorporated in Hong Kong)

12⅝% Guaranteed Notes due 1992

NOTICE IS HEREBY GIVEN that pursuant to Condition 5(c) of the Notes, US $2,000,000 principal amount of the Notes has been drawn for redemption on 6th January 1986, at the redemption price of 101% of the principal amount, together with accrued interest to 6th January 1986. The serial oumbers of the Notes drawn for redemption are as follows:—

3	961	1676	2930	3975	4887	5561	6487	7760	8496	9863	11114	12266	13174	13754	14378	15490	16563	17815	18875
34	971	1678	3018	3993	4896	5592	6512	7763	8526	9904	11173	12271	13189	13778	14397	15517	16572	17909	18882
75	998	1805	3065	4007	4916	5600	6533	7820	8647	9932	11196	12283	13194	13821	14503	15757	16588	17995	18887
167	1011	1861	3091	4022	4937	5613	6543	7843	8729	10024	11213	12445	13210	13826	14516	15817	16610	18021	18909
183	1050	1871	3096	4052	5047	5619	6615	7857	8917	10174	11228	12469	13256	13835	14553	15931	16702	18181	18974
244	1052	1897	3146	4175	5051	5680	6664	7878	8963	10206	11233	12534	13318	13898	14686	15958	16859	18222	19019
315	1076	1976	3215	4244	5057	5739	6796	7898	9034	10233	11297	12605	13331	13901	14726	16002	16884	18243	19069
320	1085	2122	3222	4253	5156	5872	6802	7909	9064	10276	11456	12699	13335	13933	14798	16067	16889	18264	19161
387	1097	2222	3354	4287	5169	5875	6822	7938	9101	10454	11477	12707	13358	14036	14860	16107	17074	18401	19204
394	1104	2240	3540	4305	5299	5916	6907	8003	9144	10464	11629	12773	13375	14050	14946	16207	17231	18452	19278
403	1122	2312	3549	4324	5311	5925	6960	8147	9157	10593	11630	12809	13389	14102	14947	16321	17249	18464	19378
458	1187	2331	3602	4362	5344	6100	6992	8160	9317	10793	11702	12836	13406	14108	14982	16323	17418	18528	19425
552	1200	2391	3663	4404	5348	6106	7062	8182	9391	10797	11788	12931	13439	14122	14998	16343	17510	18544	19492
566	1220	2434	3735	4502	5407	6183	7098	8197	9401	10877	11840	12963	13500	14123	15031	16421	17527	18554	19543
569	1240	2443	3743	4635	5426	6318	7137	8208	9471	10892	11880	12991	13521	14166	15103	16425	17562	18570	19689
621	1462	2499	3759	4691	5493	6362	7180	8214	9516	10928	11920	13024	13587	14188	15105	16429	17582	18575	19692
748	1484	2513	3818	4705	5496	6398	7246	8218	9615	10957	12019	13034	13599	14229	15256	16470	17619	18645	19747
783	1632	2736	3854	4708	5538	6410	7278	8253	9725	10964	12065	13071	13652	14249	15369	16471	17684	18690	19800
816	1642	2773	3866	4751	5542	6422	7402	8435	9786	11017	12212	13119	13656	14305	15456	16507	17718	18720	19900
908	1652	2920	3943	4824	5543	6448	7469	8487	9853	11043	12247	13171	13709	14332	15466	16548	17809	18765	19903

On the 6th January, 1986, the said redemption price will become due and payable upon each Note to be redeemed, together with accrued interest from 20th February, 1985 to 6th January, 1986 amounting to US $554.10 per US $5,000 Note. On or after that date, ioterest on the said drawn Notes will cease to occrue. Payment of the Notes to be redeemed will be made on or after 6th Jaouary, 1986 upon presentation ond surrender of the said Notes, with all coupons appertaining thereto, at the office of any of the Paying Agents mentioned thereon. After 6th January, 1986 US $53,000,000 principal amount of Notes will remaio outstanding.

The Chase Manhattan Bank, N.A., London,
Fiscal and Principal Paying Agent

5th December, 1985

International Appointments

Appointments Wanted

BUSINESS LAW

A half-baked patents conference

By A. H. HERMANN, Legal Correspondent

IN A message to a symposium of the Chartered Institute of Patent Agents in London last week, Mrs Thatcher stressed the importance of intellectual property for the future prosperity of Britaio. Exhortations can do no harm, but it would be better if the Prime Minister did something to make the patent system of use to small and medium-sized businesses. These are now largely excluded from the benefits of the system by the enormous legal costs involved in defending patents in the courts.

It is doubly frustrating for entrepreneurs with limited budgets to hear Mrs Thatcber's exhortations at a time when the Government is preparing to make things even worse—and not only for the small companies — by signing the half-baked protocol on the litigation of Community patents. A diplomatic conference to perpetrate the deed opened yesterday.

Let us see first why things are so bad, then why the proposed Community patent litigation is likely to make them worse, and finally whether there is a way out.

The enormous costs of patent litigation between giant companies such as Polaroid and Kodak are well-known. Such litigations often stretch over a decade and the costs run into many million of pounds. Even a relatively simple patent dispute can easily cost each side well over £100,000 and despite the award of costs, the winner may still be out of pocket by more than £50,000. In addition, managerial time and energy are wasted not only on the business level but also on the technical level.

These factors make patent litigation quite impractical for small companies which have to concentrate their human resources on the development and marketing of new products. If a financially strong competitor covets their patents, or wishes to stop their exploitation, they must consider themselves lucky to be asked for a licence and given some hope of future royalties. Not for them dreams of business expansion.

The preparation of an infringement action takes from 18 months to five years aod can involve extensive discovery of documents as well as practical experiments. Eight to 10 lawyers will sometimes attend these tests, which may last for weeks, rather than days, though only a few lawyers really know what to look for.

When all the experiments are completed and thousands of pages of paper assembled, the case is ready for trial. However, due to the peculiar notion that surprising the other party is an essential feature of the adversary procedure, the parties may still be in the dark about the case of their opponent. This will be revealed only during a trial which, typically, lasts between five and 30 days.

The judge or judges like to find the perfect solution according to the law, if not justice, but the piles of documents and reports of tests obscure the issue. In most cases, therefore, the decision is based on facts little different from those known at the beginning of the action. And the legal view taken of these facts seems to be highly subjective as a large proportion of decisions are reversed on appeal.

Patent litigation is likely to be even more complicated and much more costly under the Community Patent Convention if the Government rushes into signing the litigation protocol without listening to experts. This Convention — signed 10 years ago but still not ratified —was designed to provide a unitary patent valid throughout the Community. This could be an advance on the European Patent which is no more than a batch of national patents selected by the applicant and obtained by means of a single application processed by the European Patent Office in Munich.

The trouble is that politicians searching for some sort of low-cost gesture symbolising "a real common market" cast their beady eyes on the Community Patent and try not to see that, with two major problems unsolved, the Convention is likely to be counter-productive and very costly.

The first of the two unsolved problems is that two member states, Denmark and Ireland, are not willing to ratify and are likely to be followed by Spain and Portugal. The other governments are now ready to proceed without them, thns creating a truncated Community patent. The creation of two different patent areas within the Community would lead to unequal conditions of competition, complicate licensing and technology transfers and reinforce in Convention countries the doctrine that patent rights are exhausted as soon as a product is placed on the market.

Companies in countries ratifying this truncated Convention will bear greater costs in securing patent protection throughout the Community. They will have to defend their patents against companies from the non-ratifyiog states by the more costly litigation under the Community Convention while companies in the non-ratifying countries will be able to continue to use their cbesper municipal system of patent protection.

The second, unsolved problem is the complication and bigb cost of the proposed Community patent litigation system. The protocol now considered by the diplomatic conference would create a Common Patent Court to hear appeals from national courts of appeal. In most litigations, the Common Patent Court would have exclusive jurisdiction on all matters brought before the national appeal court in so far as these did not involve questions of national law. The appeal would, therefore, generally, be subject only to formal proceedings in the national appeal court which would refer it to the Common Patent Court.

Surprisingly, the Common Patent Court would deal not only with issues of law arising from the Community Patent Convention bnt would also nndertake a complete retrial of the dispute, even dealing with questions of fact. In some cases there could be a further reference to the European Court of Justice in Luxembourg. The mind boggles when one tries to imagine the time and costs involved!

Another defect of the proposed protocol is its departure from the principle that infringement issues can never be separated from validity issues. As soon as one party brings an infringement action, the other will come forward with the defence that the patent is invalid. Yet Article 14 provides (in paragraph 4) that the validity of a Community patent may not be put in issue when a party asks for a declaration that what it proposes to do will not infringe an existing patent. There are also other drafting inconsistencies and uncertainties—in short, the draft will require much patient work by experts and is not ripe for a diplomatic cooference.

What is to be done?

First, on the domestic front, one should take a lesson from the way the Patent Office handles patent disputes. Proceedings concerning validity or applications for declaration that a certain action does not infringe a patent can be argued in the Patent Office at one-tenth of the cost involved in High Court proceedings. Evidence is mainly written, there is little or no discovery and the hearing usually lasts for not more than two days.

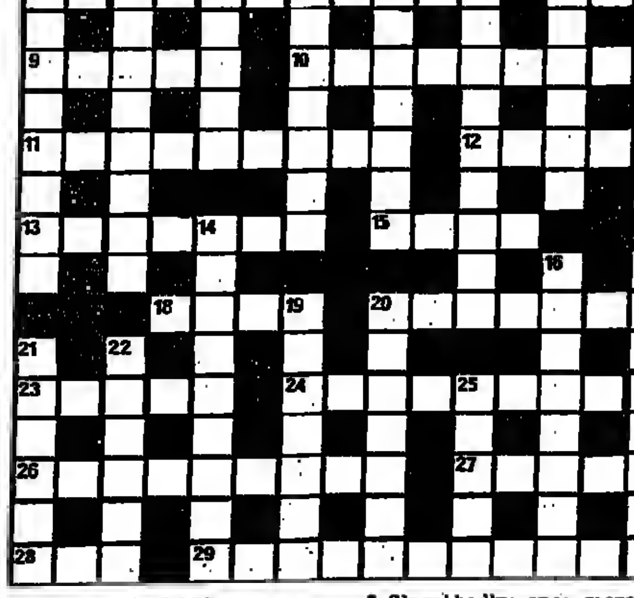
All parties should have the right to insist that any patent action should be heard and decided by the Pateot Office and this right should not be restricted by the need to obtain agreement of the other party to the dispute. Appeals should go to an appeals board within the Patent Office—an arrangement adopted by the European Patent Office—and be subject to leave. The Patent Office or its Appeal Board should be able to refer important and novel issues of law to the High Court or directly to the Court of Appeal.

The second major improvement and reduction of costs could be obtained by elimioating the need to go through solicitors. At present, chartered patent agents can appear or have direct access to barristers when a patent dispute is started in the Patent Office and goes on appeal to the Chancery Division of the High Court. However, if the same type of dispute starts in the Chaocery Division, the patent ageot has to instruct a solicitor, who in turn instructs a barrister. There seems to be no obvious reason why the parties and the patent agents should not be able to decide whether they wish to appear in court unaided and, if they need assistance, who should provide it.

Finally—and this is urgent—the diplomatic conference on the litigation of Community patents should be adjourned so that the problems with which it is presented can be properly thought out.

Some of these proposals are bound to hurt vested interests but the task of making British industry competitive in the field of innovation is much too important to be held up because of fears that the patent Bar and a few specialised firms of solicitors will protest.

FT CROSSWORD PUZZLE No 5,891



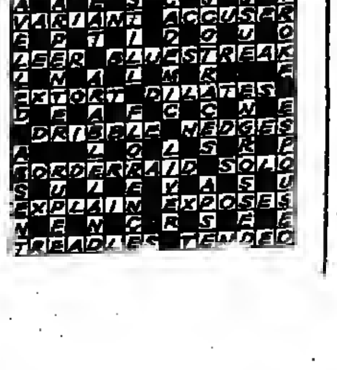
ACROSS

1 Standing behind the front door, is bent (11)
7 The face of a simpleton (3)
9 Ball swallowed by some woolly animal (5)
10 Like silver money in a funny green container (9)
11 Likewise are found to have imprisoned poor Rita for a game (9)
12 Before midday obtained a key to enter (5)
13 Perfectly thrown die by one's partner (7)
15 On the way back we swelter (4)
18 Talented opening batsman has a drink outside (4)
20 He has a big bill for food (7)
23 Dismissed by the Queen, is shot (5)
24 Interpret: "Raced into a back street near the end" (9)
26 Meaning the new 'buses can't turn round inside (9)
27 A light in the bay? (5)
28 A obligation to provide tea (for the audience, that is) (3)
29 P.C. Neddy's one to disperse gloom (11)

DOWN

1 Unusually modest, I started courting a servant (8)
2 For motorists in an emergency situation it's hard (8)
3 It's nothing green, - that's evident (5)
4 When at home, in any case, sex-appeal is silliness (7)
5 Sings badly, once more, in the entrance (7)
6 On rising before Mr Kinnock, accepts the standard as unique (9)
7 The girl the chaps come round to help (6)
8 Eager to see the edition in colour (6)
14 One must leave a West African republic before a man can be set free (9)
16 "Cocoa is wrong" Nellie started, "for a special celebration" (8)
17 It's often felt it's inferior to a ballad (8)
19 Nurse in bizarre sex case holds out (7)
20 Before the old boy returns spot a dummy pill (7)
21 A fabulous bird stands up to decline, but stays (6)
22 The continental clubs are back first, being firmly established (6)
25 Rose remained nnchsnged (5)

Solution to Puzzle No. 5,890



APPOINTMENTS

Reorganisation at Bestobell

BESTOBELL has completed a top level management restructuring. Mr John Dowling joined Bestobell at the beginning of the year as chief executive to introduce a programme of tighter management and financial control throughout the group and to allow time for the formatioo of a new team to lead the group over the longer term. He will be leaving at the end of December having completed his assignment. Mr David Ingman, formerly divisional group director of ICI, succeeded Mr A. B. (Sandy) Marshall as chairman in September. It is expected that a new chief executive will join the company early in the New Year. Other key appointments are: Mr Graham Woodhead, business group manager for the UK and continental Europe—a main board director, he previously headed the controls and instrumentation business group; Mr John Wilkinson, business group manager for Australia; and Mr Hugh Lloyd, business group manager for the African zone. Mr Wilkinson and Mr Ed Allman, business group manager for the US, will join the Bestobell main board as visiting directors on January 1. They will also become members of the recently formed executive committee of the board. This committee, headed by Mr Ingman, includes Mr Malcolm Shaw, group financial director, and Mr Woodhead.

★

Mr Graham J. L. Hill has been appointed managing director of LESSER LAND, having resigned as managing director of Rohan Developments and Rohan Investments. Lesser Land is the wholly owned development and investment subsidiary of the Lesser Group.

★

Mr Mike Bish has been appointed director of technical services for European operations by EMULEX CORPORATION. For the past three years he was director of European customer services at Paradyne (UK).

★

TIA MARIA INTERNATIONAL has appointed Mr Mark Butterworth as managing director from January. He is currently a senior vice president of Hiram Walker International.

★

HORIZON TRAVEL has made the following non-executive board changes: Mr Brian Langton, a director of Bass, has been appointed to the board to succeed Mr Peter Williams, who has reached retirement. Mr Gerald Daniel and Mr David Graham, both non-executive directors formerly representing substantial shareholding interests, have retired from the board.

★

Mr Frank Banks has been appointed sales director of FIAT AUTO (UK). He joins Fiat from Citroen Cars where he headed the UK sales operation.

Ms Sandra Newton has been appointed director of FINANCE OF VENTURE LINK (HOLDINGS).

★

ARUNDELL HOUSE HOLDINGS has appointed Lord Denman chairman of the company and of Arundell House Securities. Lord Denman is chairman of Marine and General Life Assurance Society and a director of Close Brothers. Mr Geoff Windsor-Lewis has joined the board of Arundell House Securities.

★

Mr Brian G. Jones and Mr Neil G. Weston have been appointed joint managing directors of STRATEGIC INNOVATIONS INTERNATIONAL. Mr Jones was formerly director of marketing of GPG International and Mr Weston was managing director of Engioeeriog Polymers.

★

LEP GROUP has appointed Mr Terry Deal as managing director of healthcare subsidiary Ultrolab. He replaces Mr Richard Morris who has resigned.

★

Mr Bob Hamilton has been appointed personnel director for the chain stores division of THE LITTLEWOODS ORGANISATION. Mr Hamilton joins from Otis Elevator, where he was group personnel director.

★

Mr Christopher H. Behrens, chief executive of FIELD PACKAGING and a director of Reed Packagiog, will retire from Reed International at his own request on March 31. He will be succeeded by Mr Keith Gilchrist, a director of Field Packaging and currently general manager of the Bradford factory, on January 1.

★

Mr Tom Clark has been appointed an executive director of MERCANTILE CREDIT COMPANY. He is a past chairman of the Equipment Leasing Association and Leaseurope and was the first chief executive of Lloyds Leasing. Recently he has been responsible for Lloyds Bank Group's asset financing in Australia and South-East Asia.

★

A P BANK has appointed Sir James A. S. Cleminson to its board.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Oppenheimer Fund Mngt Ltd
66 Cannon St, London EC4N 6AE — Dlg. 01-236 3885

International Growth	99.0	105.4	-0.4	1.30
Income & Growth	46.5	49.5	+0.1	2.8
Special Situations	56.8	60.5	-0.6	1.20
American Growth	27.1	29.1		1.50
Japan Growth	33.0	36.0xd		
European Growth	42.9	45.8	-0.1	2.50
UK Growth	44.5	47.6xd	-0.2	1.4
Pacific Growth	31.3	33.6xd	+0.3	2.0
High Income	30.1	32.2	+0.5	7.6
Practical Income Units	43.8	46.6		2.70
Practical Accum. Units	78.8	83.9	+0.1	2.70

Pearl Trust Managers Ltd (a)(g)
252 High Holborn, WC1V 7EB — 01-405 8441

Pearl Growth Fd	69.6	74.0	+0.2	2.88
Accum Units	102.7	109.3	+0.2	2.08
Pearl Inc	97.8	103.6	-0.1	4.76
Pearl Unit Tst	102.2	100.7xd	+0.1	3.79
(Accum. Units)	174.9	106.1	+0.1	3.79

Perpetual Unit Trust Mngmt. (a)
48 Hart Street, Henley on Thames — 0491 516868

International Growth	203.5	218.4	+0.8	1.48
Income	151.4	162.1	-0.3	5.38
Worldwide Recovery	116.0	123.5	+0.7	1.19
American Growth	57.1	61.3	-0.3	1.12
Intl. Emerging Cos.	61.6	65.1	+0.6	0.75
Far East Growth Fd.	50.2	53.9	+0.4	1.19

Prolific Unit Trusts
222 Bishopsgate, London EC2 — 01-247 7544.7

Prolific American Inc	48.1	51.3	-0.1	5.18
Prolific Far East	100.2	115.1	+0.4	0.12
Prolific Extra Inc	68.0	72.1	-0.1	5.52
Prolific Convert & Gilt	84.3	89.3xd	-0.4	7.00
Prolific High Inc	143.3	152.0xd	-0.1	4.91
Prolific Intl	87.1	92.9	+0.3	1.69
Prolific N. Amer	114.6	121.9	+0.1	2.65
Prolific Spec. Sits	159.1	168.7xd	+0.2	1.41
Prolific Technology	98.0	105.3xd	+0.4	0.65

Providence Capitol Fd. Mgrs. Ltd
30 Uxbridge Road, London W12 8PG — 01-749 9111

Japan Inc	51.5	54.6	-0.9	0.20
Japan Acc.	51.6	54.7	-1.0	0.20
Worldwide Inc.	52.5	55.6	-0.1	1.87
Worldwide Acc.	53.1	56.3	-0.1	1.87
European Tst Inc	61.5	65.1xd	-0.3	1.19
European Tst Acc	61.7	65.3xd	-0.3	1.19
North American Inc.	47.7	50.5		2.10

Swiss Life Pen. Tst. Man. Co Ltd (a)(c)
99-101 London Rd, Sevenoaks — 0732 450161

Equity Dist *	239.6	253.5xd		3.78
Equity Acc *	288.9	305.7xd		3.78
Fixed Int. Dist †	116.0	120.2xd	-0.2	11.25
Fixed Int. Acc †	170.2	176.3xd	-0.2	11.25

*Prices on Dec 2. Next dealing Dec 11
†Prices on Dec 4. Next dealing Jan 2

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens House, Andover, Hants SP10 1PG
0264 62188 — Dealings to 0264 63432-3

TSB American	93.8	99.8	-0.4	1.31
Do Accum	97.6	103.9	-0.4	1.31
TSB Extra Income	89.0	95.6	-0.1	5.97
Do Accum.	103.4	110.1	-0.1	5.97
TSB General	136.6	145.4	+0.2	3.01
Do Accum.	219.8	231.9	+0.3	3.01
TSB Gilt & Fxd Int	47.1	49.1		9.01
Do. Accum	59.1	61.6		9.01
TSB Income	178.7	190.2xd	+0.1	4.71
Do. Accum	274.4	292.0	+0.2	4.71
TSB Pacific	105.9	112.7	+3.9	0.62
Do. Accum	108.6	115.6	+0.9	0.62
TSB International	235.2	250.3xd		1.99
Do Accum	288.7	307.2		1.99
TSB Natural Resources	41.1	44.0	-0.2	1.93
Do Accum	42.2	44.9	-0.1	1.93
TSB Sictn. Opps	49.4	52.6	+0.1	2.21
Do Accum	53.7	57.2		2.21

3i & Target Fund Mgrs Ltd
2 St Mary Axe, London EC3A 8BP — 01 928 3356

Small Co's Fund	64.5	68.6xd	-0.4	0.10

Target Trust Mngrs. Ltd (a)(o)
Target Hse, Gatehouse Rd, Aylesbury Bks — (0296) 5941

American Eagle	65.2	69.7xd	+0.2	0.81
Australia	27.0	28.8	-1.2	0.10
Commodity	75.1	80.0xd	-1.6	2.00
Energy	37.4	40.0	-0.5	2.56
Equity	104.1	112.6		3.29
European Spec. Sits.	66.7	71.3	+0.6	0.62
Extra Income	97.3	104.1	+0.6	6.94
Financial	210.5	233.1	-0.5	2.18
Gilt Income	99.0	103.7xd	-0.5	8.64
Gold Income	52.0	55.6xd		2.25
Gold Acc	94.7	101.3		2.25
Income	65.5	70.4xd	+0.8	5.85
Japan	50.1	53.4	+0.6	0.10

Allied Dunbar Assurance Plc
Allied Dunbar Ctr, Swindon SN1 1EL — 0793 28291

Fixed Int. Dep. Acc.	210.6	221.7
Equity Acc.	546.1	575.1
Property Acc.	407.5	323.7
Far East Acc.	103.7	109.2
Managed Cap.	282.3	297.2
Managed Acc.	448.2	471.8
O'seas Earnings Acc.	359.1	378.1
Gilt Edged Acc.	245.5	258.5
American Equity Acc.	310.0	326.4
American Man Acc.	152.1	160.2
American Prop Acc.	121.7	128.2
Pen. F. I. Dep. Cap.	231.7	243.9
Pen. F. I. Dep. Acc.	350.8	369.3
Pen Prop Cap.	373.4	391.1
Pen Prop Acc.	624.0	657.1
Pen Man Cap.	565.8	595.6
Pen Man Acc.	945.5	995.3
Pen Gilt Edg Cap.	254.3	267.7
Pen. Gilt Edg. Acc.	341.3	365.6
Pen. Eq. Cap.	891.0	944.4
Pen Eq. Acc.	1136.1	1195.9
Pen Am. Eq. Cap.	118.4	124.7
Pen Am. Eq. Acc.	124.1	113.2
Pen. Far East Cap	111.2	119.2
Pen. Far East Acc	120.9	127.9
Pen. B.S. Cap	243.1	255.9
Pen. B.S. Acc.	358.3	376.8

Confederation Life Insurance Co
50 Chancery Lane, WC2A 1HE — 01-242 0282

Life Funds		
Managed Fund	502.9	529.3
Equity Fund	581.2	611.7
International Fund	190.4	200.4
Fixed Interest Fund	165.7	174.6
Property Fund	121.4	127.7
Index Linked Fund	107.6	113.3
Cash Deposit Fund	120.9	127.4
RIP Fund	1,590.8	
Individual Pension Funds		
Personal Pen. Managed	303.0	318.9
Staffguard Managed Pen	303.0	318.9
Group Pension Funds		
Group Mixed Pension	808.1	
Equity Pension	1,312.4	
International Pension	253.9	
Fixed Interest Pension	627.4	
Property Pension	480.5	
Index Linked Pension	118.1	
Cash Deposit Pension	162.0	

Continental Life Insurance PLC
64/70 High St, Croydon CR0 9XN — 01-680 5225

Equity Acc.	265.0	279.0
Property Acc.	247.3	260.4
Int Acc.	179.1	188.6
Managed Acc.	226.0	238.8

General Portfolio Life Ins. Plc
Crossbrook St, Cheshunt, Herts — 0992 31971

Portfolio Fd Acc.	346.4	346.4	-0.1
Portfolio Fd Int.	262.1	262.1	-0.2
Portfolio Fd. Inv. &	346.1	364.6	-0.1
UK Equity	158.8	167.3	-0.2
Overseas Equity	116.9	123.2	+0.4
Smaller Companies	100.1	105.4	+0.1
Gilt Plus	110.1	116.2	-0.4
Gilt Plus. 00	106.6	112.4	
Fixed Int Dep	105.7	111.4	
Managed	136.3	143.5	-0.1
Inter Man.	122.0	129.4	+0.2

For other prices please telephone [illegible]

Gresham Unit Assurance Ltd
2-6 Prince of Wales Rd, Bournemouth — 0202 767655

Managed Fd	354.2	373.3	
Money Fd	175.7	185.0	
Equity Fd	297.3	311.5	
Fixed Int. Fd	134.7	141.9	
Property Fd	200.2	210.9	
Managed Pen. Fd.	356.1	375.1	
Equity Pension Fd.	216.9	228.5	
Fixed Int. Pen. Fd.	190.5	209.1	
High Yield Pen. Fd.	200.0	210.7	
Money Pension Fd.	157.7	166.0	
Property Pension Fd.	154.6	162.8	
Gresham/Framlington			
American & Gen. Fd.	261.0	275.0	+0.2

Legal & General (UA)—Contd.
Kingswood House, Kingswood, Tadworth, Surrey KT20 6EU — Burgh Heath 53456

Ex. Bldg. Soc. Lnkd	101.7	107.1	+0.1
Do. Accum	105.5	110.1	
Exempt Cash Init	182.3	191.9	+0.1
Do. Accum	236.6	249.1	+0.1
Exempt Eqty. Init.	533.5	561.6	+0.6
Do Accum	692.2	728.7	+0.9
Exempt Fixed Init	304.7	320.8	+0.4
Do Accum	395.3	416.2	+0.6
Ex. Index Lnk. Gilt	98.6	103.8	+0.1
Do Accum	105.3	115.1	+0.1
Exempt Intl Initial	148.7	156.6	
Do Accum	173.1	182.3	
Exempt Mand. Init	406.9	428.4	+0.5
Do Accum	528.0	555.8	+0.5
Exempt Prop Init	182.8	192.5	+0.1
Do. Accum	237.2	249.7	+0.1
So. Depo. 4 Init	133.2	140.3	+0.1
Do Accum	153.4	161.5	+0.1

Legal & General Prop. Fd. Mgrs. Ltd
11 Queen Victoria St, EC4N 4TP — 01-248 9678

L & G Dec 1	155.7	162.4	+0.5

Next sub day January 2

Manufacturers Life Insurance Co (UK)
St George's Way, Stevenage — 0438 356101

Managed	304.8	370.6
Property	241.5	254.3
Equity	330.1	347.5
Gilt Edged	314.6	350.3
Deposit	177.8	187.2
Investment	139.0	146.0
International	255.1	268.5

Pension Fund Prices

Managed Init	214.7	-2.8
Do Accum	247.7	-3.1
Property Init	206.5	-0.2
Do Accum	238.2	-0.1
Equity Init	241.7	-8.2
Do. Accum	278.6	-9.2
Gilt Edged Init	197.2	-0.2
Do Accum	227.6	-0.1
Guaranteed Init	138.9	+0.2
Do. Accum	160.3	+0.3
International Init	302.7	-3.7
Do. Accum	349.1	-4.0
Index Lk Gilt Init	119.9	+1.0
Do. Accum	138.4	+1.3

Merchant Investors Assurance
Leon House, 233 High St, Croydon — 01-686 9171

Property	294.8
Property Pens.	386.1
Equity	148.1
Equity Pens.	507.8
Money Market	268.9
Money Mkt. Pens.	462.2
Deposit	213.8
Deposit Pens.	319.6
Managed	231.9

Property Growth Assur Co Ltd
Leon House, Croydon CR9 1LU — 01-680 0606

Property Fund	301.7	
Property Fund (A)	291.0	
Agricultural Fund	1068.1	
Agric. Fund (A)	1030.2	
Abbey Nat. Fund	290.2	
Abbey Nat. Fd. (A)	246.3	
Investment Fund	166.8	-2.2
Investment Fund (A)	167.6	-2.1
Equity Fund	580.6	-2.2
Equity Fund (A)	571.5	-2.2
Money Fund	276.4	
Money Fund (A)	248.3	
Actuarial Fund	275.9	+1.5
Gilt-Edged Fund	218.3	+1.0
Gilt-Edged Fd (A)	216.4	
Retire Annuity	894.6	
Immed. Annuity	210.5	-2.6
International Fd	294.1	
Bldg. Soc. Life Fd	125.1	

Property Growth Pensions & Annuities Ltd

All Weather Ac. Ut	358.5	377.1	
Inv. Fd. Ut		350.7	
Pension Fd. Uts		118.1	+0.2
Conv. Pens. Fd.		383.1	+0.1
Cnv. Pns. Cap. Ut		245.7	
Man. Pens. Fd.		454.5	
Man. Pens. Cap. Ut		324.8	
Prop. Pens. Fd.		851.8	
Prop Pens. Cap Ut		247.1	
Bldg. Soc. Pen. Ut		431.5	
Bldg. Soc. Cap. Ut		237.5	+1.1
Gilts Pens. Fd.		204.0	+1.0
Gilts Pens. Fd. Cap		166.1	+2.1
Equity Pen. Fd.		374.1	+1.8
Equity Pens. Fd. Cap		304.0	
Intl. Pens. Fd.		129.6	
Intl. Pens. Fd. Cap		120.8	

Providence Capitol Life Assc. Co Ltd

[illegible]

INSURANCES

[illegible]

INSURANCE, OVERSEAS & MONEY FUNDS

Australian Gen Mngt Ltd
48 Athol Street, Douglas, IoM 0624 20845

Aust Gen Fund	46.53	47.24	---	—

Next dealing date December 2

BIA Bond Investments AG
18 Baarerstrasse CH6301, Zug, Switzerland

Barer Std November 29	SF10,925	11,500	---	—

BHP Inv Mgmnt (Jersey) Ltd
PO Box 158, St Helier, Jersey 0534 76012

BNP Intercurrency Fund Ltd

US Dollar	$10.21	---	—
Sterling	£10.29	---	—
DMarks	DM30.51	---	—

BNP Interequity Fund Ltd

North American	$10.16	10.56	---	—
Far East	$10.64	11.08	---	—

Julius Baer Bank & Trust Co Ltd
Butterfield House, Grand Cayman

Liquibaer J Baer $Fd	$1.364	1.365	---	—
S-Baer, J Baer $Fd*	$1.041	1.048	---	—
DM-Baer, J BaerDMFd*	DM1.029	1.033	---	—

*Par. charge

Bamford Brandt Guernsey Mngt. Ltd
PO Box 71, St Peter Port, Guernsey 0481 26541

Tech und Comm.	£7.37	7.82	---	—
Pac. Basin Fund	$36.51	38.70	---	—

The Bangkok Fund
Bangkok First Inv & Trust Ltd (Inv Advisors)
300 Silom Road, Bangkok, Thailand
NAV Nov 27 BAHT 261,208.21 (US$10,007.98)

Bank of America International SA
35 Boulevard Royal, Luxembourg GD

Wondinvest Inc	150.14	150.90	---	6.98

Valued weekly on Wednesdays

Barclays Unicorn International
1 Charing Cross, St Helier, Jersey 0534 73741

Bargh Trust	44.8	46.7	---	11.20
Uni-American Gold Tst	$17.04	10.0	---	1.30
Valbond Trust	$94.22	95.00	+0.39	9.20
£Stg Multicrncy. Fd	111.32		---	10.55
US$ Multicrncy. F.D.	$21.76		---	4.70
DM Multicrncy. F.D.	DM41.88		---	3.20

EBC Trust Company (Jersey) Ltd
1-3 Seale St, St Helier, Jersey 0534 36331

International Income Fund

US$ Dep Short A	$1.5071	+0.0001	—
Do. Dist	$1.0069	+0.0001	—
Med.Cur.Stri term B	$1.3056	+0.0044	—
Do Dist	$0.9771	+0.0033	—
Carbon Long Term	$25.55		10.80

European Banking Traded Currency Fund*

Income	$10.72	11.062	+0.042	8.26
Capital	$12.26	12.638	+0.052	8.26

*Offer price includes 1% prelim. charge

European Banking Currency Income Fund*

Income	£9.95	£0.4580	---	—

*Offer price includes 3% prelim. charge

The English Association
16 Athol St, Douglas, Isle of Man 0624 20738

E.A. Far East	$11.23	11.83	---	—

Next dealing Dec 6

Ermitage Management Ltd
19 Royal Square, St Helier, Jersey, CI 0534 76007

External Fund	$22.09	22.31	---	—
Bond & Cash Fd	£10.44	10.51	---	4.00
Cash Fund		£21.20	---	—

Ermitage Management Cayman Ltd
PO Box 2192, Grand Cayman, BWI

GAM Ermitage Inv Inc	$17.14	---	—
GAM Ermitage Ltd	$17.46	---	—
Cayman Cash FD	$11.13	---	—

Eurolife Assurance Group
5-11 Mortimer St, London W1N 7RH 01-631 0778

Sterling Eurobond Fd	110.5	---	—
Intnl Eurobond Fd	110.5	---	—

S.G. Europe Obligations SA
9 Avenue de la Liberte, Luxembourg
London Agent: FFS, Salisbury House, London Wall EC2M 5TA Tel: 01-920 0776 Telex 887281

Europe-Obligations	$55.62	−0.68	8.4

Eurotax Investments Ltd

[illegible]

OFFSHORE AND OVERSEAS

[illegible]

Money Market Trust Funds

[illegible]

Money Market Bank Accounts

[illegible]

Tyndall & Co
29-33 Princess Victoria St, Bristol. 0272 732241

Demand Acc	11.41	8.55	12.58	Qtr
Money Fund	11.03	8.25	12.15	Qtr

J. Henry Schroder Wagg & Co Ltd
Enterprise House, Portsmouth 0705 827733

Special Acc	11.00	8.22	12.20	Mth
Over £10,000	11.25	8.41	12.49	Mth

Western Trust & Savings Limited
The Moneycentre, Plymouth PL1 5EE 0752 24141

High Int Chq Acc	11.61	8.69	12.83	Qtr

NOTES—Gross rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. * Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. [illegible]

OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	28	Marks & Spencer	13
BAT	26	Midland Bk	35
BOC Grp	27	NEI	10
BSR	8	Nat West Bk	55
BTR	33	P & O Dfd	35
Babcock	13	Plessey	14
Barclays	33	Polly Peck	21
Beecham	30	Racal Elect	15
Blue Circle	50	RHM	12
Boots	18	Rank Org Ord	35
Bowaters	30	Reed Intnl	60
Brit Aerospace	32	Sears	11
Brit Telecom	17	TI	35
Brown (J.)	3½	Tesco	24
Burton Ord	45	Thorn EMI	34
Cadburys	13	Trust Houses	12
Charter Cons	18	Turner Newall	9½
Comm Union	23	Unilever	90
Courtaulds	13	Vickers	35
Distillers	36	**Property**	
FNFC	12	Brit Land	14
Gen Accident	55	Land Secs	26
Gen Electric	14	MEPC	26
Glaxo	100	Peachey	24
Grand Met	30	Samuel Props	15
GUS 'A'	70	**Oils**	
Guardian	60	Bust. Oil & Min.	3½
GKN	20	Brit Petroleum	45
Hanson Tst.	18	Burmah Oil	27
Hawker Sidd.	36	Charterhall	4
ICI	42	Premier	5
'Imps'	16	Shell	55
Jaguar	27	Tricentrol	18
Ladbroke	27	Ultramar	18
Legal & Gen	60	**Mines**	
Lex Service	24	Cons Gold	40
Lloyds Bank	35	Lonrho	12
Lucas Inds	38	Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

COMMODITIES AND AGRICULTURE

ITC costs may ease, report says

BY STEFAN WAGSTYL

AS THE International Tin Council crawls almost imperceptibly towards a solution of the tin market crisis, so its creditors plan what they might do if a settlement is over reached.

On the London Metal Exchange, traders hove tried to analyse what might happen to tin trading if and when the authorities re-open a market which has been closed for six weeks.

Their conclusions suggest that the cost of a settlement may not be as expensive for the ITC as has been feared.

In other words, if the tin stockpile the ITC has built up in its task of defending tin prices over the years can be liquidated in an orderly woy then it can meet its debts of hundreds of millions of pounds to banks and to metal brokers at a lower cost than has been suggested.

However the problem is that the bridging finance required to tide the ITC over the few weeks after the market reopens could well be larger.

The starting point for the traders' analysis is accountants' Peat, Marwick, Mitchell's audit of the tin council's finances.

This shows that if the tin council honours the commitments it has to buy tin at fixed prices in the forward market and its other deols with metal traders—which all fall due by the end of January—it will have gross debts of about £900m—£281m to its 14 banks and the rest to metal traders.

But the eventual loss faced by the council would depend on how far the tin price falls in the post-crisis market below its suspension price of £8,140 a tonne. The council would have about 121,000 tonnes of tin to price in this market. Of this about 57,060 tonnes has been sold on unpriced contracts (6,810 tonnes of this delivered). The remaining 63,759 tonnes would be left in the stockpile.

If the ruling price were £5,000 a tonne, then according to Peat, Marwick, the ITC would need an extra £321m in new money, on top of its £281m bank borrowings after the completion of unpriced sales. If the 63,759 tonne stockpile were then sold off as well at £5,000 a tonne, there would bo a shortfall of £283m. The tin council and its members would be left owing an amount about equal to existing bank borrowings—plus of course accrued interest and other charges. The corresponding figures for varying post-crisis tin prices are shown in the table.

Price per tonne post-crisis £	New cash needed needed to fund stock run-down £m	Net cash shortfall after all stock sales £m
5,000	321	283
6,000	263	161
7,000	206	41

Source: Peat, Marwick

However, an anlysis by LME traders is more optimistic. For the sake of clarity, Peat, Marwick's figures assume that all the forward sales and purchases are settled simultaneously. In fact, while the council's forward purchases fall due by the end of January 1986, its sales stretch out to January 1987.

This means that in the period to the end of January, the market must supply the ITC with large amounts of tin—some of this it can get from producers, but a lot can only come from one source—the tin council. So if the council plays its cards correctly it can gently limit the price fall for the crucial weeks to the end of January.

As a result, according to traders, as much as 14,169 tonnes of tin could be sold to the market, reducing the eventual stockpile of 63,759 tonnes to 49,590 tonnes.

If all the sales are made at £5,000 then at the end of the day, the overall cash shortfall will be about the same as in the Peat, Marwick report. But it is at least possible that selling tin before the end of January would allow the ITC to secure better prices than it otherwise would have done.

Also, since as much as 14,169 tonnes of tin would have been sold earlier than expected, some of the loans could also be repaid sooner—so significantly reducing interest costs.

Nevertheless it would be wrong to minimise the difficulties in securing bridging finance to the end of January. No one expects the net debt to rise to its theoretical maximum of £900m since this would mean the council's tin was worth nothing. However, an ITC cash-flow report shows that debts could climb to £717m by the end of January, or perhaps £676m under "more reasonable" projections. These figures assume a tin price of £6,000 a tonne.

But the long-term aspects of any deal will also be crucial—will the remaining tin stocks be kept off the market for long enough to be easily absorbed? What will happen to stocks in producing countries, at smelters and elsewhere? Will the ITC's export quotas, due to expire at the end of this month, stay in force? Will producing countries abide by them? These questions will affect prices from the day trading resumes.

ITC TIN STOCKS

	tonnes
Metal at October 24	52,540
Net forward priced purchases to end January 1986	67,604
Sales to be price-fixed to end January	−26,590
Sales to market	−14,169
Stocks at end January	79,385
Net forward priced purchases after January	675
Unpriced sales after January	−30,470
Stocks after all forward deals completed	49,590

Source: Peat, Marwick and traders

North Sea oil spot prices dive

By Dominic Lawson

NORTH SEA oil spot prices plunged yesterday, providing a gloomy background for ministers from the Organisation of Petroleum Exporting Countries who are assembling in Geneva for their biennial conference.

December shipments of Brent, the main North Sea crude, were quoted yesterday at $27.75 a barrel, a drop of about $1.27 on the previous day.

January Brent prices ranged between $27.60 and $27.75, a fall of up to 70c on the day. Over the last seven days trading prices have fallen consistently from a peak of more than $30 a barrel.

Traders said yesterday that a key reason for the slump was the availability of large quantities of crude from Norbec, the Saudi Arabian marketing arm. The oil is thought to come from Norbec's floating oil storage, but at the same time Saudi Arabia has recently engineered a dramatic increase in its crude oil production, by offering prices tied to the Western refiners' markets rather than to official Opec pricing rules.

On the New York Mercantile Exchange the price also weakened, albeit less dramatically with falls of about 20c a barrel for oil for delivery between now and April.

An oil trader in London said yesterday: "The market is so volatile that traders are turning blue in the face every time a price is mentioned."

Although the Opec conference is no due to start until December 7, some leading ministers are already arriving for Subroto, oil minister for preliminary informal talks. Dr Subroto, oil minister for Indonesia, and Dr Arturo Hernandez Grisanti, Venezuela's oil minister arrived yesterday, and Sheikh Ahmed Zaki Yamani of Saudi Arabia was also expected to arrive last night.

The main topic of discussion is expected to be production quotas, since several member countries are calling for increases in their official Opec quotas. A call for North Sea producers to cut back production is also on the cards, but it appears that the governments of Britian and Norway remain opposed to any cooperation with Opec.

India revives overseas jute sales

BY P. C. MAHANTI IN CALCUTTA

INDIA HAS resumed fibre exports after a lapse of several years, with an agreement to sell 50,000 tonnes of raw jute to the Soviet Union, also a large buyer of jute goods.

The state-owned Jute Corporation of India has been asked to conclude contracts with other buyers for a much larger quantity, but the precise figure is not being specified.

The moves come against the background of a possible record Indian jute crop. Some estimates put this at 10m bales, compared with earlier predictions of 9.5m.

It is possible that India is being cagey about the total amount of exports it expects to make partly because Bangladesh, too, has a bumper crop and is quoting export prices at levels considered the lowest for many years.

India believes that unless exports are controlled, it will not obtain good prices from convertible currency customers, and will then have to concentrate on bilateral deals with the Communist bloc.

India has had three short jute crops in recent years, and was forced to import large quantities of the fibre last year at very high prices.

The Government has decided that a sizeable buffer stock should be built up, and a number of mills hove agreed to join a scheme. It is believed that such measures could lift raw jute prices from their present rock-bottom levels. Last month the fibre was being quoted at about Rs 200 per quintal less than half of last year's level.

In theory this should help the industry to compete abroad and against the growing domestic synthetic bag manufacturing industry.

But this would be a short-term advantage. Jute growers, badly hit by the price slump, will almost certainly reduce their acreage next season and the spectre of shortage will arise once more.

India's jute industry is fragmented, involving millions of barely-organised peasant growers who have little staying power against market adversities or a serious slump in demand.

The Jute Corporation of India, which acts as the Government's price support agency and exports and imports jute when necessary, claims to have purchased 1.6m bales against a target of 2m bales this year, nearly one-fifth of the crop.

The mills, too, were compelled to buy up to 10 weeks' requirements until the end of October. Even so, the raw jute market has remained weak.

Big Queensland find of magnesite looks 'accessible'

BY OUR MELBOURNE CORRESPONDENT

THE DISCOVERY of a deposit of magnesite in central Queensland, about 600 kilometres north of Brisbane, is believed to be the largest in the western world.

Queensland Metals Corporation, an Australian-owned exploration company which found the deposit, says it is also one of the most accessible deposits in the world.

When processed, magnesite produces magnesium which is used in metal alloys, particularly in aluminium and for producing strong light-weight metals, used in the aerospace industry. Magnesium is also used for desulphurising steel and for making high temperature bricks.

Magnesite can also be used to produce caustic calcined magnesia which is used in fire resistant building materials, water purification, as an animal feed supplement, and in the chemical and cosmetics industries.

North Korea and some iron curtain states have big magnesite deposits. But most of the West's current supplies of magnesium come from the costly and high energy process of sea water extraction. Austria has deposits which require underground mining and Brazil has good reserves but they are not as accessible.

The US is estimated to have reserves of only 65m tonnes compared with an estimated 345m tonnes in the Queensland deposit. Queensland Metals is optimistic of finding further reserves.

The new find, called the Kunwarara deposit, occurs as a flat sheet varying in thickness from 4-10 metres. It is about 20 kilometres square and lies between 20 centimetres and 4 metres from the surface under easily-removed black earth.

So much of Australia's mineral wealth is located in inhospitable and completely unserviced desert, that Queensland Metals can hardly believe its luck that the new deposit lies only 60 km from the major centre of Rockhampton. Road and rail links pass by the deposit and power lines run practically overhead.

● High federal and state taxes and charges are having a major impact on the competitiveness of the Australian mining industry, said Mr Bruce Watson, president of the Australian Mining Industry Council (AMIC), reports Reuter in Canberra.

Taxes are heavily influencing future investment and are reducing the industry's ability to produce export income, he said at the release of AMIC's industry survey for 1984-85 ended June 30.

Mr Watson, also chairman of MIM Holdings, said the industry's payments to Government have risen over the past five years to more than A$3bn (£13bn) against A$1.8bn.

Potato Board nears end of support buying

By a Special Correspondent

THE UK's Potato Marketing Board (PMB) believes it is nearing the end of its market support operations for this season, following the continued firming of prices over the last few weeks, the Board said yesterday at its annual general meeting.

With the GB weekly average potato price last week at £55.20 a tonne (including sacks), prices are now well above the level at which the Board can release potatoes which it has contracted to buy, as part of its support operations, back onto the market.

It has contracted to buy 105,000 tonnes in November and December, of which it is believed to have loaded getting on for half.

The PMB buying programme, which totalled 80,000 tonnes of direct intervention purchases earlier in the year and 418,000 tonnes of pre-season contracts for the year as a whole, has only been one of the factors helping the market to firm in recent weeks.

There have also been worries of late over quality and quantity of supplies. These were stimulated by publication of stock figures for the end of October, a cut in the estimate of the Dutch crop and concern over the quality of crops in store.

Australian bauxite export pricing dispute

BY PATRICIA NEWBY IN MELBOURNE

EXECUTIVES of one of Australia's leading bauxite exporters, Gove Aluminium Ltd (Gal) met the country's Trade Minister, Mr John Dawkins, yesterday in a vain attempt to resolve a dispute over the way Australian bauxite and alumina are sold to the Swiss-based aluminium company Alusuisse.

No concrete proposals resulted from the meeting, which was described by both sides as cordial.

Mr Dawkins has threatened to use the Government's export controls to halt bauxite and alumina exports to Alusuisse from Gove in the northern territory because of what he believes are "unreasonably low" prices even to today's oversupplied market.

Gal's export licences for bauxite run out at the end of this month and licences for alumina from the joint venture between Gal and the Alusuisse subsidiary, Austraswiss, run out early next year.

Austraswiss has so far not responded to the minister's request for more market information to support the pricing policies.

The managing director of Austraswiss, Mr Andrew Powell, has angrily denied that alumina from Gove is being sold too cheaply. Under a 20-year contract, all Gove's alumina output about 1.25m tonnes a year is sold to Alusuisse on a cost-plus basis. Mr Powell says that had the contract been based on world aluminium prices, the price paid for alumina would have risen only 176 per cent since 1972 against the 343 per cent on the cost-plus basis.

The contract was approved by the federal government when it was drawn up in 1969 and Mr Powell has accused the government of trying to change the rules in the middle of the game. He says the 1985 price of Gove alumina to Alusuisse will be 12 per cent higher than last year's price.

However the minister maintains that the Gove prices are unreasonably low compared with contract prices obtained by other alumina exporters.

In the case of bauxite, government sources indicate that the price sought by Gal for its latest exports to Alusuisse was about half the prices previously obtained and lower than that offered to Gal's other bauxite customers.

The bauxite output from Gove is about 5m tonnes a year, about half of which is used to make alumina and the rest is exported. The company will not reveal what proportion of exports go to Alusuisse.

The tension between the Alusuisse subsidiary and the government is heightened by the fact that the company has paid no Australian tax since 1970.

Mr Dawkins has foreshadowed export controls in what he believes is the national interest to prevent Australia's so-called natural assets from being sold too cheaply.

Australia is the world's biggest producer of both bauxite (about 32m tonnes a year) and alumina (about 8m tonnes a year). About 5m tonnes of bauxite is exported, the rest being used in domestic alumina refineries. Alumina exports are about 7m tonnes a year.

LONDON MARKETS

PROFIT-TAKING set in on the London robusta coffee futures market yesterday, following the strong gains earlier in the week. Prices closed near their lows of the session in what dealers said was mainly a technical reaction after limit gains on three successive days in New York. However, underlying concern about the 1986 Brazilian crop, which has been severely hit by drought, persists. The cocoa market remained quiet in the absence of fresh news, and sugar futures edged higher in line with New York before easing towards the close. Yesterday's weekly EEC sugar tender, at which the Commission authorised sales of 77,250 tonnes of whites, had no noticeable impact. On the London Metal Exchange, copper closed higher in line with Comex, and aluminium was also firmer amid mixed buying and short-covering prompted by the morning's close above the equivalent of $1,000 a tonne. Lead, zinc and nickel were also higher.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	650.5-1.5	+0	655/654.5
3 months	684.5-6	+8.75	686/679

Official closing (am): Cash 654.5-5 (655.5-5), three months 679.5-80.5 (678-91), settlement 655 (656). Final Kerb close: 684.5-5.5.
Turnover: 20,075 tonnes.

COPPER

Higher grade	Unofficial close	+ or −	High/low
Cash	928.5	+5	931
3 months	945.6-4	+6.5	946/957

Official closing (am): Cash 920-1 (918-.5), three months 941.5-2 (938.5-91), settlement 921 (918.5). Final Kerb close: 945.5-6.

Cathodes			
Cash	910-3	+19	—
3 months	932.5	+12.5	—

Official closing (am): Cash 907-10 (904-7), three months 923-5 (921-4), settlement 910 (907).
Turnover: 20,325 tonnes. US Producer prices 64.50-69 cents per pound.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	275-.6	+7.6	276/274
3 months	278.5-9	+4	281/275.5

Official closing (am): Cash 273-.25 (268.25-.75), three months 281-.5 (276-.25), settlement 273.25 (268.75). Final Kerb close: 278.5-9.
Turnover: 22,700 tonnes. US Spot: 18.75-20 cents per pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	2695-700	+5	—
3 months	2740 50	+18.5	2745/2720

Official closing (am): Cash 2670-80 (2700-5), three months 2716-20 (2738-42), settlement 2680 (2705). Final Kerb close: 2720-40.
Turnover: 942 tonnes.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	434-5	+5.6	—
3 months	469.5-6.2	+6.6	440/432

Official closing (am): Cash 431-.5 (429-30), three months 432-3 (433-4), settlement 431.5 (430). Final Kerb close: 438-9.
Turnover: 9,150 tonnes. US Prime Western: 33-35.75 cents per pound.

GOLD

Gold rose $5¼ to $323¼-323¾ on the London bullion market yesterday, but closed on its low after a quiet day. The metal opened at $324-324½, and was fixed at $324.50 in the morning and $324.20 in the afternoon. It touched a peak of $324¾-325¼.

Close	$325¼-325¾	(£217½-217)
Opening	$304-304½	(£218-019½)
M'n'g fix	$324.50	(£218.225)
Aft'n'n fix	$324.20	(£010.170)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$325 306½	(£218¾ 010)
½ Krug.	$171½-172	(£115½-115¾)
¼ Krug.	$87½-88	(£50 50¾)
1/10 Krug.	$35¼ 66¼	(£24-24½)
Mapleleaf	$335¼ 333½	(£224¼-0241½)
Angel	$331¾-333¾	(£223¼ 224½)
1/10 Angel	$62½-37½	(£22-26¼)
New Sov.	$78¼-78½	(£52¾-53)
½ New Sov	$46½ 47	(£31¼-51¼)
Old Sov.	$80½-80	(£64¼-55¼)
$90 Eagle	$460 490	(£303 330)
Noble Plat	$560¼ 564¼	(£242½-245¼)

SILVER

Silver was fixed 1.9p an ounce lower for spot delivery in the London bullion market yesterday at 409.15p. US cent equivalents of the fixing levels were: spot 608c, up 0.5c; three-month 620.3c, up 0.65c; six-month 632.7c, up 0.35c; and 12-month 658.25c, up 1.4c. The metal opened at 410½-412½p (610-812c) and closed at 408½-410½p (607-609c).

SILVER per troy	Bullion Fixing Price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	409.15p	−1.30	408.5p	−1
3 months	420.05p	−1.20	420.5p	−1
6 months	431.05p	−1.45	—	—
12 months	453.98p	−0.88	—	—

LME—Turnover: 44 (0) lots of 10,000 oz.
Three months high 421p, low 420.5p, final kerb 417.20p.

COFFEE

With little fresh fundamental news futures fell on a technical reaction to the recent gains.

COFFEE	Yesterday's Close	+ or −	Business Done
Nov	1915 1920	−40.0	1955-1929
Jan	1066-1000	−42.0	1999-1058
March	1996-1997	−45.0	2034-1995
May	2030-2035	−39.5	2065-2033
July	2062-2065	−31.5	2100 2082
Sept	2100-2105	−13.0	2120-2108
Nov	2120-2150	+5.0	—

Sales: 4,378 (8,518) lots of 5 tonnes.
ICO indicator prices (US cents per pound) for Dec 3: Comp daily 1979 151.21 (150.73); 15-day average 142.18 (141.39).

INDICES

FINANCIAL TIMES

Dec. 4	Dec. 3	M'th ago	Year ago
—*	—*	—*	289.25

(Base: July 1 1952=100)

REUTERS

Dec. 4	Dec. 3	M'th ago	Year ago
1740.5	1755.9	1728.5	1803.0

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Dec. 5	Dec. 3	Month ago	Year ago
Spot	101.69	121.75	—	125.13
Fut.	123.25	122.85	—	126.71

(Base: December 31 1974 = 100)

* Not available due to suspension of tin on LME.

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

	Dec. 4 1985	+ or −	Month ago
METALS			
Aluminium	£1100		£1100
Free Mkt.	$1025/45	+5	$1000/20
Copper			
Cash h Grade	£928.5	+0	£965.5
3 mths	£945.75	+6.5	£982.25
Gold Troy oz	$323.5	+0.75	$324.75
Lead Cash	£275.25	+7.5	£276.25
3 mths	£278.75	+4	£277.25
Nickel			
Free Mkt	161/200c	−1	182/202c
Palladium oz	$101.65	+0.85	$101.26
Platinum oz	$349.45	+1.45	$326.00
Quicksilver†	$270/280		$265/275
Silver troy oz	408.15p	−1.30	423.05p
3 months	400.65p	−1.20	434.75p
Tin cash	‡		‡
3 months	‡		‡
Tungsten	$67.77	−3.64	$70.28
Wolfram 22.0lb	$58/64		$62/68
Zinc	£434.5	+6.6	£404
3 months	£435	+2.5	£413.5
Producers	$660/610		$660/670
OILS			
Coconut (Phil)	$385w	+5	$420
Palm Malayan	$580z	−2.5	$357.5
SEEDS			
Copra Phil	$240w		$265
Soyabean (U.S.)	$216.5	+3.0	$220.9
GRAINS			
Barley Fut. Mar.	£112.50	+0.15	£110.80
Maize	£141.50		£134.00
Wheat Fut. Mar.	£115.05	−0.05	£110.25
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. Mar.	£1668.5	−3	£1659.5
Coffee Ft. Mar.	£1965.5	−42	£1904
Cotton A Index	47.80c		48.00c
Gas Oil Jan.	$255.75	−5.25	$260.25
Rubber (kilo)	55.5p		56p
Sugar (raw)	$142.5x	−2.5	$147.5
Wooltops 64s	382p kilo		404p kilo

In tonnes unless otherwise stated. ‡ Unquoted. x Dec-Jan. w Nov-Dec. † Per 75 lb flask. c Cents per pound. z Jan.

COCOA

Futures were again trapped in a narrow trading range. Little physical interest was apparent as both producers and consumers remained withdrawn, but some light second-hand trading was noted, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or −	Business Done
Dec.	1617-1618	−3.5	1620-1615
March	1668-1669	−3.0	1672-1665
May	1686-1687	−5.0	1681-1681
July	1703-1706	−6.6	1709-1698
Sept.	1717-1719	−8.0	1722-1715
Dec.	1716-1720	−6.0	1722-1719
March	1750-1734	−8.0	1734

Sales: 1,860 (1,957) lots of 10 tonnes.
ICCO indicator prices (US cents per pound). Daily price for December 4: 106.88 (107.02); five-day average for December 5: 107.12 (107.06).

FREIGHT FUTURES

The market opened slightly lower in thin conditions. Levels eased further against the background of quiet physical market but rose during the afternoon as short-covering entered the market, reports Clarkson Wolff. The Baltic Freight Index was 820, up 0.5.

	Close	High/Low	Prev.
Jan.	883/894	900/890	903/904
April	943/946	950/940	947/952
July	822/858	—	886/846
Oct.	918/900	920	920/924
Jan.	860/940	936	936/940
April	988/992	—	985/985
July	860/880	—	860/890
Oct.	950/1000	—	950/1000

Turnover: 85 (62).

GRAINS

LONDON GRAINS—Wheat: US dark northern spring no 1 15 per cent Dec 191.75, Jan 133.50, Feb 135 transhipment east coast. US no 2 soft red winter Dec 116.25, Jan 115.75, Feb 110.25. EC French Dec 132. English feed fob Dec 113.25, Jan-Mar 117, Apr-Jun 121 sellers east coast. Maize: US no 3 yellow/French transhipment east coast Dec 141.50. Barley: English feed fob Dec 112.50 Scottish, Jan-Mar 114.50 English/Scottish paide. Dec 111, Apr-Jun 118.50 sellers east coast. Rest unquoted.

Mnth	WHEAT Yesterday's close	+ or −	BARLEY Yesterday's close	+ or −
Jan	110.60	—	109.50	+0.25
Mar	116.06	−0.05	112.50	+0.15
May	118.00	−0.15	114.80	+0.30
July	100.16	−0.50	—	—
Sept	98.75	−0.70	98.85	—
Nov	101.60	−0.25	101.76	—

Business done—Wheat: Jan 112.60-2.20, Mar 115.05-4.75, May 118.15-7.85, July 120.20-20.05, Sept 98.75 only, Nov 101.60 only. Sales: 189 lots of 100 tonnes. Barley: Jan 109.50-8.20, Mar 122.50-2.20. May, Sept and Nov untraded. Sales: 152 lots of 100 tonnes.

Wheat reached 40p down in thin trading on easier physical trade but found mixed support at lower levels to recover the losses. Barley remained relatively steadier with good shipper support, reports Muirpace.

HGCA—Locational ex-farm spot prices. Feed barley: E Mids 107.90, N East 109.80, Scotland 105.60. The UK monetary coefficient for the week beginning Monday December 9 will remain unchanged.

MEAT

Despite firmer physicals, prices closed slightly lower, reports CCST Commodities.

Sales: 1 (10) lots of 50 carcases, 3,250 kg.

Month	Yesterday's close	Previous close	Business done
	p. per kilo (deadweight)		
Feb.	102.50	102.50	102.50
April	105 40	105.40	—
June	100.50	100 50	—
Aug	80.10	80.10	—
Oct	104.40	104.40	—
Nov	105.30	105.30	—

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 95.62p per kg lw (−0.20). GB—Sheep 164.60p per kg est dcw (+11.21). GB—Pigs 80.35p per kg lw (−1.79). GB—AAPP 105.60p per kg lw (−0.01).

US MARKETS

PRECIOUS METALS attracted light buying interest on dollar weakness, but buying was restrained by weakness in the energy complex, reports Heinold Commodities. Copper firmed as delivery notices remained low while aluminium attracted support from the Far East. Sugar traded in a mixed fashion in anticipation that a cut in the US import quota will partially offset reductions in the Cuban crop. Cocoa drifted lower on the lack of fresh news. Coffee came under pressure on a report that Colombia was in favour of accelerating releases from the coffee stockpiles to stabilise prices. Cotton traded mixed awaiting further information on the US Farm Bill. The energy complex weakened on expectations that the weekly trade report will show continued stock build ups along with expectations of a divisive Opec meeting which begins Friday. The grain complex was mixed with light selling in maize on increased country movement. The soyabean complex gained ground on expectations that the US administration would not support changes in the 1985 loan programme.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	45.55	45.40	44.85	44.80
Jan	45.75	45.30	45.20	44.70
Feb	46.15	—	—	45.35
March	46.55	46.60	45.75	45.50
May	47.35	47.09	46.60	45.25
July	48.10	—	—	47.00
Sept	48.85	—	—	47.75
Dec	49.95	—	—	48.85
Jan	50.30	—	—	49.20
March	51.05	—	—	49.95

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
Dec	2133	2125	2121	2129
March	2200	2209	2190	2199
May	2245	2259	2244	2250
July	2285	2292	2282	2279
Sept	2308	—	—	2308
Dec	2318	2312	2312	2318
March	2329	—	—	2329

COFFEE "C" 37,500 lbs, cents/lb

	Close	High	Low	Prev
Dec	168.50	171.50	168.50	169.75
March	174.27	176.75	172.76	175.13
May	178.26	180.40	176.10	178.75
July	181.72	183.90	179.00	182.30
Sept	184.20	188.00	182.00	185.75
Dec	187.26	101.50	185.00	189.50
March	189.33	188.88	186.00	188.50
May	101.67	192.00	189.00	191.60

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Dec	62.10	62.20	61.20	60.95
Jan	62.30	—	—	61.15
Feb	62.45	—	—	61.65
March	62.70	62.80	61.75	61.55
May	63.00	63.05	62.16	61.90
July	63.30	63.45	62.60	62.25
Sept	63.65	63.30	62.85	62.60
Dec	64.15	63.85	63.40	63.15
Jan	64.35	—	—	63.35
March	64.70	—	—	63.75

COTTON 50,000 lbs, cents/lb

	Close	High	Low	Prev
Dec	61.55	61.62	61.20	61.15
March	60.68	60.93	60.59	60.76
May	51.00	51.15	60.50	60.55
July	59.53	59.65	59.50	59.68
Oct	54.03	53.95	53.70	53.75
Dec	52.03	52.18	51.86	51.85
March	52.60	52.95	52.75	52.59
May	53.05	—	—	52.93

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Latest	High	Low	Prev
Jan	28.76	29.08	28.65	29.06
Feb	28.04	29.41	27.83	28.49
March	27.33	27.70	27.11	27.69
April	26.79	27.10	26.54	27.08
May	26.40	26.75	26.11	26.62
June	26.10	26.40	25.70	26.18
July	25.86	26.25	25.55	25.88
Aug	25.70	26.00	28.00	26.66
Sept	25.66	25.70	25.70	25.46
Oct	25.50	25.55	25.55	25.31

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Dec	347.5	352.0	351.0	347.0
Jan	349.6	354.0	348.0	349.0
Feb	350.5	—	—	350.0
April	351.5	356.0	350.0	351.1
July	354.6	335.3	354.5	354.1
Oct	358.1	362.5	360.0	357.6
Jan	363.1	363.5	363.5	362.5

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	High	Low	Prev
Jan	84.30	85.60	84.05	85.86
Feb	83.40	84.85	83.10	85.04
March	78.65	80.15	78.40	80.11
April	73.90	75.15	73.55	75.00
May	70.89	71.90	70.60	71.65
June	69.60	70.50	69.50	70.75
July	69.78	70.00	69.75	70.25
Aug	69.50	69.50	60.50	69.75
Sept	70.00	—	—	69.55
Oct	70.00	—	—	69.30

ORANGE JUICE 15,000 lbs, cents/lb

	Close	High	Low	Prev
Jan	113.20	113.30	112.75	113.15
March	115.45	115.45	114.80	115.49
May	115.75	115.75	115.25	115.[illegible]
July	115.10	116.10	115.50	115.75
Sept	111.50	111.50	111.50	112.00
Nov	111.75	—	—	112.20
Jan	112.00	112.00	112.00	112.20
March	112.20	112.10	112.10	112.20
May	112.30	—	—	112.00

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Dec	321.7	325.0	321.5	322.5
Jan	323.6	—	—	326.3
Feb	325.7	329.0	325.5	326.7
April	329.4	333.0	329.0	330.4
June	333.5	337.0	333.0	334.5
August	337.7	—	—	339.7
Oct	342.1	—	—	343.1
Dec	346.7	349.5	347.8	347.7
Feb	351.4	—	—	352.4
April	356.3	—	—	357.3
June	361.5	—	—	362.5
August	366.8	—	—	367.0
Oct	372.4	—	—	375.4

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Dec	604.7	612.0	604.0	605.9
Jan	608.5	613.5	609.0	610.1
Feb	612.8	—	—	614.3
March	617.0	624.0	616.5	618.5
May	625.3	632.0	625.0	626.3
July	633.9	641.0	634.0	637.5
Sept	643.0	650.0	645.0	644.0
Dec	656.7	665.0	657.0	658.4
Jan	661.5	—	—	663.3
March	670.0	675.0	675.0	672.8

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	5.38	5.55	5.40	5.[illegible]
March	6.33	6.53	6.23	6.34
May	5.51	6.62	6.44	6.51
July	6.67	6.81	6.60	6.66
Sept	6.82	6.82	6.82	6.81
Oct	6.92	7.08	6.87	6.90
Jan	7.05	—	—	7.03
March	7.50	7.68	7.45	7.49

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	66.85	67.90	66.80	67.67
Feb	63.12	63.75	63.10	63.60
April	61.67	62.15	61.65	61.97
June	61.65	62.00	61.55	61.77
August	60.22	60.65	60.17	60.25
Oct	59.30	60.65	59.30	59.20
Dec	60.30	60.75	60.30	60.35

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	48.42	49.65	48.75	48.92
Feb	47.55	47.97	46.97	46.97
April	42.82	43.00	42.30	42.35
June	44.65	44.90	44.40	44.32
July	44.72	44.95	44.50	44.50
August	43.60	43.90	43.50	43.32
Oct	40.40	40.50	40.20	40.15
Dec	41.40	41.40	41.40	41.10
Feb	41.45	41.45	—	41.40

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
Dec	244.2	245.0	243.2	244.5
March	245.5	247.0	245.4	245.8
May	248.4	249.2	247.6	247.2
July	248.4	248.6	247.2	246.6
Sept	235.6	236.2	235.4	234.8
Dec	229.4	229.6	229.2	228.6
March	236.6	236.6	236.0	236.0

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	63.55	64.20	63.35	63.35
March	63.77	64.35	63.50	63.52
May	64.82	65.50	64.70	64.80
July	65.20	65.50	64.95	65.20
August	63.20	63.40	62.45	62.80

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Jan	510.4	511.6	505.4	503.8
March	518.6	520.0	513.4	511.0
May	528.2	529.0	522.2	518.4
July	534.4	535.0	529.0	524.6
August	533.0	533.4	528.4	523.4
Sept	515.0	517.4	515.0	512.6
Nov	514.4	517.0	512.4	512.0
Jan	526.4	527.0	525.0	523.0
March	537.0	537.0	534.0	534.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	146.7	147.7	145.5	145.7
Jan	146.2	147.8	145.1	145.7
March	146.3	147.5	145.6	145.8
May	147.0	148.0	146.0	147.0
July	147.0	148.5	147.0	146.7
August	147.2	148.0	147.0	146.5
Sept	144.0	147.0	144.5	145.0
Oct	141.5	145.0	141.5	143.5
Dec	143.0	147.0	143.0	147.5
Jan	143.0	147.0	143.0	146.8

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	19.50	19.50	19.35	19.13
Jan	19.98	20.00	19.45	19.21
March	20.37	20.40	19.81	19.50
May	20.77	20.50	20.10	19.80
July	20.88	20.95	20.35	20.00
August	20.80	20.80	20.45	20.00
Sept	20.50	20.30	20.20	19.83
Oct	20.80	20.60	—	19.80
Dec	20.86	20.87	—	19.87
Jan	20.90	20.30	20.23	19.80

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Dec	344.6	345.0	338.2	341.2
March	344.5	345.0	338.4	341.5
May	320.4	321.0	314.2	317.2
July	289.4	289.4	286.4	286.4
Sept	290.0	290.4	287.6	287.0
Dec	300.2	300.2	298.4	298.4

SPOT PRICES—Chicago loose lard 17.00 (17.50) cents per pound. Handy and Harman silver bullion 606 (608) cents per troy ounce.

SUGAR

LONDON DAILY PRICE—Raw sugar $142.50 (£96.00), down $2.50 (down £2.00) a tonne for Dec-Jan delivery. White sugar $177.50, down $2.00.

No. 6 Contract	Yest'day's close	Previous close	Business done
	$ per tonne		
Mar	164.8-164.4	164.0-164.6	167.6-163.0
May	161.8-168.2	168.0-168.6	110.8-166.5
Aug	172.8-115.0	113.0-174.0	114.0-115.6
Oct	177.6-178.4	177.4-178.4	179.4-176.6

Sales: 1,594 (1,570) lots of 50 tonnes.

Tate & Lyle delivery price for granulated basis sugar was £199.00 (£201.50) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for Dec 3: Daily price 5.69 (5.59) 15-day average 5.42 (same).

PARIS—(FFr per tonne): Mar 1405-1407, May 1425-1432, Aug 1465-1475, Oct 1505-1510, Dec 1525-1545, Mar 1585-1594.

POTATOES

The market opened 60p firmer, basis April but failed to maintain momentum and drifted back in thin volume with very little feature. The afternoon was even quieter with the market lacking direction, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Feb	88.80	81.50	93.00
Apr	92.30	88.10	02.70-92.00
May	97.40	07.00	97.90-07.20
Nov	73.80	73.80	—

Sales: 389 (300) lots of 40 tonnes.

SOYABEAN MEAL

The market opened £1 higher on renewed trade interest, reports T. G. Roddick. Prices moved higher on mixed buying before light profit-taking tempered further gains.

	Yesterday close £ per tonne	+ or −	Business Done
Dec.	121.0-125.0	+1.25	123.0
Feb.	128.0-128.6	+0.80	107.0
Apr.	126.6 126.9	+0.45	107.5-127.2
June	122.0-122.6	+1.00	102.5
August	121.5-122.0	+1.35	—
October	122.0-123.6	+1.15	125.0
Dec.	122.0-125.0	+0.85	—

Sales: 1,033 (120) lots of 20 tonnes.

OIL

Forward Brent prices fell 50c, but prompter Brent lost even more as dated North Sea sellers tried to move cargoes. In the petroleum products market, prices weakened across the barrel in a thinly traded, nervous market—Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—Jan.		
Arab Light	27.95 27.95	—
Arab Heavy	25.80-25.90	−0.05
Dubai	26.80-26.90	−0.10
Brent Blend	27.50-28.00*	−1.275
W.T.I. (1pm est)	28.70-28.75	−0.125
Forcados (Nigeria)	29.00-29.40*	−0.40
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	275-277	−2.5
Gas Oil	258-260	−7.5
Heavy fuel oil	148-148	−1
Naphtha	242-245	−2.5

*December

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close $ U.S. per tonne	+ or −	Business Done
Dec	250·25	−4.75	260.00-57.00
Jan	255.75	−3.25	258.25-52.55
Feb	250.75	−3.25	250.75-41.50
Mar	241.00	−1.75	241.80-38.00
Apr	331.50	−1.75	231.50-29.85
May	023.00	−2.00	225.00-22.00
June	224.00	−1.75	224.50-22.00
July	224.50	+0.50	225.00-20.75

Turnover: 23 (339) lots of 1,000 barrels.

CRUDE OIL FUTURES—Brent Blend Index, $ a barrel. (Close, change, business done): Index 28.49, +0.34; Jan 28.00-28.50, −0.225, 28.19; Feb 27.20-27.50, −0.35, 27.35-27.00; Mar 25.90-26.60, −0.75, untraded; Apr 25.20-26.20, −0.80, untraded; May 25.00-26.00, −0.85, untraded.

RUBBER

PHYSICALS — The London market opened unchanged, attracted no interest throughout the day and closed very quiet, reports Lewis and Peat. Closing prices (buyers): spot 55.50p (same). Jan 53.25p (same), Feb 53.75p (same). The Kuala Lumpur fob price (Malaysia/Singapore cents) per kg RSS No 1 was 177.0 (176.5) and for SMR 20 170.5 (same).

هكذا من الأصل

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar drifts lower

The dollar weakened on the foreign exchanges yesterday as the recent bout of short covering appeared to have run its course. The currency seems to have settled into a trading range keeping it slightly above DM 2.50 and Y200, and just below $1.50 against sterling. Dealers suggested the central banks are happy to see the dollar stabilise after its sharp fall and may have bought dollars at the beginning of the week when the US currency fell through DM 2.50. A level of DM 2.54 is also regarded as a likely high point, where the central banks would step in as sellers of the dollar. US interest rates remained firm, with the Federal funds rate in New York around 8¼ per cent, while doubts have arisen about the rate of economic growth and whether the Federal Reserve will cut its discount rate within the fairly near future. Some guidance may come on December 23 when the flash estimate of fourth quarter Gross National Product growth is announced.

A fall of 1.1 per cent in October US factory orders was around the level of market expectations and had no impact.

The dollar fell to DM 2.5190 from DM 2.5335; FFr 7.6825 from FFr 7.7250; SFr 2.0950 from SFr 2.1120; and Y202.60 from Y204.80. On Bank of England figures the dollar's index fell to 126.7 from 127.4.

STERLING — Trading range against the dollar in 1985 is 1.4885 to 1.0525. November average 1.4408. Exchange rate index fell 0.2 to 81.2, the lowest level of the day. It opened at 81.3 and remained at that level until the final calculation.

Sterling was about ½ cent higher against the dollar for most of the day, but slightly weaker against most other major currencies, including the D-mark, Swiss franc and yen, leaving the exchange rate index very steady. Little prospect of any early fall in the high level of London interest rates continued to supply support, but the pound has had a fragile undertone of late on nervousness about the prospect for oil prices. The recent increase in spot oil prices is regarded as largely the result of stockbuilding rather than rising demand, while it has also been rumoured that Saudi Arabia is around the top of its Opec production quota. Opec ministers meet in Geneva on Saturday to discuss prices and quotas. Sterling rose 70 points to $1.4860-1.4870, but fell to DM 3.7450 from DM 3.7475; FFr 11.42 from FFr 11.43; SFr 3.1150 from SFr 3.1250; and Y301.25 from Y303.

D-MARK — Trading range against the dollar in 1985 is 3.4510 to 2.5110. November average 2.5926. Exchange rate index 129.6 against 122.1 six months ago.

The D-mark was stronger against the dollar, but trading was quiet, with dealers reluctant to take out new positions in the run up to the year-end. The Bundesbank did not intervene when the dollar fell to DM 2.5224 from DM 2.5325 at the Frankfurt fixing. The dollar moved within a narrow range against the D-mark in a market lacking new factors. It closed at DM 2.5195, compared with DM 2.5320 on Tuesday.

£ IN NEW YORK

	Dec. 4	Prev. close
£ Spot	$1.4848-1.4855	$1.4840-1.4850
1 month	0.43-0.40pm	0.43-0.42pm
3 months	1.19-1.15pm	1.16-1.14pm
12 months	0.78-3.60pm	3.65-3.60pm

Forward premiums and discounts apply to the U.S. dollar.

POUND SPOT — FORWARD AGAINST POUND

Dec 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4820-1.4875	1.4860-1.4870	0.43-0.40c pm	3.35	1.19-1.16pm	3.15
Canada	2.0610-2.0675	2.0645-2.0675	0.45-0.36c pm	2.35	1.16-1.02pm	2.11
Nethlnd.	4.20¾-4.22	4.21-4.22	2⅛-1⅞c pm	5.70	5⅞-5¾pm	4.05
Belgium	75.88-76.12	76.00-76.10	22-16c pm	3.00	61-52pm	2.97
Denmark	13.52¾-13.56	13.55-13.56	3½-2¼ore pm	2.73	8½-7pm	2.62
Ireland	1.2092-1.2136	1.2099-1.2109	0.23-0.10p pm	1.63	0.46-0.73pm	1.01
W. Ger.	3.73½-3.75	3.74-3.75	2⅞-2⅛pf pm	7.01	6½-6pm	6.46
Portugal	234.39-239.33	234.39-239.00	190-495c dis	−17.28	625-1525d	−16.08
Spain	230.46-231.30	230.46-230.84	55-100c dis	−4.02	225-345dis	−4.89
Italy	2,543¼-2,556¼	2,550¼-2,551¼	15-20lira dis	−0.23	27-34dis	−4.76
Norway	11.26-11.30¼	11.28-11.29	½-1ore dis	−0.80	2¼-2⅞dis	−0.89
France	11.39½-11.43¾	11.41½-11.42½	2-1⅛c pm	1.71	4⅝-3⅝pm	1.45
Sweden	11.33½-11.38	11.36¾-11.37¾	⅞-1⅞ore dis	−0.87	2-3¼dis	−0.90
Japan	300¾-302½	300¾-301¾	0.89-0.77y pm	3.30	2.78-2.62pm	3.58
Austria	26.22-26.33	26.22-26.25	11¼-9½gro pm	4.75	33¾-28¼pm	4.71
Switz.	3.10¾-3.12⅛	3.11-3.12	2-1⅞c pm	7.46	5¾-5½pm	7.22

Belgian rate is for convertible francs. Financial franc 76.30-76.40. Six-month forward dollar 2.18-2.13c pm, 12-month 3.75-3.60c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

Dec 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4820-1.4875	1.4860-1.4870	0.43-0.40c pm	3.35	1.19-1.16pm	3.16
Ireland†	1.2250-1.2288	1.2260-1.2270	0.22-0.12c pm	1.66	0.80-0.50pm	2.12
Canada	1.3870-1.3900	1.3888-1.3893	0.09-0.12c dis	−0.91	0.33-0.38dis	−1.02
Nethlnd.	2.8300-2.8495	2.8355-2.8365	0.60-0.57c pm	2.47	1.66-1.62pm	2.31
Belgium	51.05-51.40	51.10-51.20	par-1c dis	−0.12	1-3dis	−0.16
Denmark	9.10-9.16	9.11¾-9.12¼	½-1ore dis	−0.99	1¼-2¼dis	−0.88
W. Ger.	2.5140-2.5275	2.5185-2.5195	0.78-0.73pf pm	3.60	2.18-2.13pm	3.42
Portugal	159-161	160-161	150-360c dis	−18.69	450-1000d	−18.07
Spain	155.20-156.62	155.30-155.45	90-125c dis	−8.30	285-335dis	−7.98
Italy	1,715-1,721¼	1,715½-1,716½	15-16½lire dis	−11.02	31-34dis	−7.58
Norway	7.58-7.61	7.59-7.59½	2¼-2¾ore dis	−3.96	7¼-7¾dis	−3.96
France	7.67-7.70	7.68-7.68½	0.95-1.15c dis	−1.64	3.00-3.50dis	−1.69
Sweden	7.64-7.67	7.64½-7.65	2¾-3¼ore dis	−4.71	7½-8dis	−4.05
Japan	202.45-204.20	202.55-202.65	0.02y pm-0.01dis	−0.03	0.22-0.18pm	0.39
Austria	17.65½-17.73¾	17.66-17.68	2½-1⅝gro pm	1.40	8½-6pm	1.64
Switz.	2.0890-2.1100	2.0945-2.0955	0.76-0.71c pm	4.21	2.20-2.15pm	4.15

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.
Belgian rate is for convertible francs. Financial franc 51.30-51.40.

EXCHANGE CROSS RATES

Dec. 4	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.487	3.745	301.3	11.42	3.115	4.216	2551.	2.066	76.05
$	0.677	1.	2.519	202.6	7.683	2.095	2.836	1716.	1.390	51.16
DM	0.267	0.397	1.	80.44	3.049	0.832	1.126	681.1	0.552	20.31
YEN	3.330	4.934	12.43	1000.	37.91	10.34	13.99	8467.	6.858	252.4
F Fr.	0.876	1.302	3.279	263.8	10.	2.728	3.691	2234.	1.809	66.50
S Fr.	0.321	0.477	1.202	96.71	3.666	1.	1.353	818.9	0.660	24.41
H Fl.	0.237	0.353	0.888	71.47	2.709	0.709	1.	605.2	0.490	18.04
Lira	0.392	0.583	1.468	118.1	4.477	1.221	1.652	1000.	0.810	29.81
C $	0.484	0.720	1.810	145.8	5.528	1.508	2.040	1235.	1.	36.81
B Fr.	1.315	1.955	4.924	396.1	15.02	4.096	5.542	3354.	2.717	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belg Fr per 100.

EURO-CURRENCY INTEREST RATES

Dec. 4	Short term	7 Days notice	1 Month	Three Months	Six Months	One Year
Sterling	11⅝-11⅞	11⅝-11⅞	11½-11¾	11⅞-11⅝	11⅝-11⅞	11¼-11⅞
U.S. Dollar	8⅛-8¼	8 1/16-8 3/16	8¼-8⅜	8 1/16-8 3/16	8⅛-8¼	8⅛-8¼
Can Dollar	8⅝-8⅞	8⅞-9⅛	8-9¼	9⅛-9⅜	9¼-9½	9⅛-9⅜
D Guilder	6 1/16-6 3/16	5 11/16-5 13/16	5 11/16-5 13/16	5 11/16-5 13/16	5⅞-6	5 15/16-6 1/16
Sw. Franc	2⅛-3	1⅞-3⅛	4 1/16-4 3/16	4-4⅛	4 1/16-4 3/16	4 1/16-4 3/16
Deutschmrk	4¾-4⅞	4¾-4⅞	4¾-4⅞	4¾-4⅞	4¾-4⅞	4⅞-5
Fr. Franc	8¼-8⅞	8⅞-9⅛	9 11/16-9 15/16	9⅞-10	10⅝-10¾	10⅛-10¾
Italian Lira	15-20	21-27	18½-20	15 11/16-16 3/16	16¼-16	14½-16
B.Fr.(Fin)	8⅝-9⅝	8⅝-8⅝	8⅝-8⅝	8⅝-8⅝	8⅝-8⅝	8⅝-8⅝
B.Fr.(Con)	8⅛-8⅝	8⅝-8⅝	8⅝-8⅝	8⅝-8⅝	8⅝-8⅝	8⅝-8⅝
Yen	8¼-8⅜	8 1/16-8 3/16	8 1/16-8⅜	7 11/16-7 13/16	7 5/16-7⅜	6 15/16-7 1/16
D. Krone	8¼-8¾	9-9½	9-9½	9-9⅜	9-9⅝	9¼-9¾
Asian $ (Sng)	8⅝-8⅛	8 1/16-8 3/16	8¼-8⅜	8 1/16-8 3/16	8 1/16-8 3/16	8 1/16-8 3/16

Long-term Eurodollars: two years 8¾-9 per cent; three years 9¼-9½ per cent; four years 9½-9¾ per cent; five years 9 11/16-9 15/16 per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

CURRENCY MOVEMENTS

Dec. 4	Bank of England Index	Morgan Guaranty Change %
Sterling	81.2	−9.2
U.S. dollar	126.7	+16.6
Canadian dollar	81.6	−10.8
Austrian schilling	130.6	+6.7
Belgian franc	88.8	−0.6
Danish Kroner	83.8	−0.0
Deutsche mark	129.6	+10.7
Swiss franc	161.8	+12.8
Guilder	120.0	+6.2
French franc	69.7	−11.9
Lira	44.7	−20.1
Yen	176.8	+69.1

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Dec. 4	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.735028	0.589534
U.S.$	7½	1.08137	0.876344
Canadian $	8.96	*	1.21715
Austria Sch.	4	19.3288	15.4037
Belgian Fr.	8¾	56.0099	44.8116
Danish Kr.	7	9.05603	7.98567
D mark	4	N/A	2.20637
Guilder	5	3.09294	2.48268
French Fr.	9½	8.38380	6.72768
Lira	16½	1874.48	1504.68
Yen	5	226.016	177.854
Norway Kr.	8	8.28568	6.65332
Spa'h Pta.	—	189.707	135.184
Swedish K.	10½	8.35280	6.70183
Swiss Fr.	4	2.29439	1.83681
Greek Dr'ch	20½	163.547	131.066
Irish Punt	—	N/A	0.713634

* CS/SDR rate for Dec 3: 1.51415.

OTHER CURRENCIES

Dec. 4	£	$
Arg'tina	1.1876-1.1895	0.8000-0.8010
Aus'alia	2.1720-2.1820	1.4676-1.4686
Brazil	14,024-14,102	9,450-9,500
Finland	8.0840-8.0980	5.4430-5.4450
Greece	216.85-224.63	145.30-151.40
H'kong	11.5850-11.5950	7.8020-7.8040
Iran	128.20*	84.70*
Kuwait	0.4309-0.4313	0.28995-0.29019
Lux'burg	76.00-76.10	51.10-51.20
Malay'sia	3.5926-3.6028	2.4200-2.4220
N'Z'land	2.6250-2.6350	1.7680-1.7730
Saudi Ar.	5.4246-5.4280	3.6617-3.6622
Sin'pore	3.1570-3.1770†	2.1250-2.1290
S.Af.(Cm)	4.1160-4.1336	2.7700-2.7815
S.Af.(Fn)	4.8720-5.0376	3.2785-3.3900
U.A.E.	5.4650-5.4603	3.6732-3.6738

* Selling rate. † Correction (Dec 3): 3.1490-3.1580.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu December 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.8320	44.8110	−0.05	+0.81	±1.5425
Danish Krone	8.12857	7.98567	−1.76	−0.90	±1.6421
German D-mark	2.23840	2.20637	−1.43	−0.57	±1.1455
French Franc	6.86402	6.72678	−1.99	−1.13	±1.3654
Dutch Guilder	2.52208	2.48268	−1.56	−0.70	±1.5162
Irish Punt	0.724578	0.713634	−1.61	−0.65	±1.6673
Italian Lira	1520.60	1504.68	−1.05	−0.36	±4.0856

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

FUTURES AND OPTIONS

Gilts easier

Sterling based contracts finished below their best levels in the London International Financial Futures Exchange yesterday. This was partly a reflection of sterling's failure to capitalise on its recent advance to $1.50 and fading hopes of an early cut in clearing bank base rates. Although the latter should have underpinned sterling, there appeared to be little incentive to move too far beyond this weekend's meeting of Opec ministers.

With the prospect of an early cut in base rates receding so cash rates edged firmer, putting downward pressure on futures prices. Three-month sterling deposits for March delivery opened at 89.14 up from 89.13 and touched a high of 89.16 before slipping away in the afternoon to finish at the day's low of 89.09.

Gilt prices acted in much the same way although the March contract managed to finish unchanged from Tuesday's close at 112-12 after an opening level of 112-18 and a high of 112-22.

Euro-dollar prices opened firmer following a late rebound in Chicago on Tuesday. However the relatively high level of US Fed funds was inhibiting the extent of any rally. News of a 1.1 per cent fall in US October factory orders compared with a revised fall of 0.7 per cent for September was much in line with market expectations and had little effect. Three-month Euro-dollar deposits for March delivery opened at 91.86, up from 91.83, and touched 91.88 before finishing at 91.87.

US Treasury bond futures were well bid with the March price rising to 80-03 from an opening of 79-27 before closing at 79-24 still up from 79-15 on Tuesday.

FT-SE futures opened firmer but eased in line with a softer equity market to finish at 140.50 for delivery this month down from an opening of 142.10 and Tuesday's close of 142.00.

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.4865	1.4824	1.4746	1.4650	1.4498

IMM—STERLING $s per £

	Latest	High	Low	Prev
Dec	1.4840	1.4860	1.4815	1.4785
March	1.4720	1.4760	1.4710	1.4675
June	1.4680	1.4655	1.4680	1.4575
Sept	—	—	—	—
Dec	—	1.4650	1.4650	1.4465

LIFFE—STERLING £25,000 $ per £

	Close	High	Low	Prev
Dec	1.4845	1.4860	1.4825	1.4815
March	1.4720	1.4735	1.4710	1.4700
June	1.4635	1.4665	1.4660	1.4610
Sept	1.4555	—	—	1.4530

Estimated volume 88 (222)
Previous day's open int 3,640 (3,861)

LIFFE—DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
Dec	0.3984	0.3991	0.3989	0.3956
March	0.4009	0.4010	0.4002	0.3990
June	0.4062	—	—	0.4022

Est. volume 77 (62)
Previous day's open int. 248 (227)

STERLING INDEX

	Dec 4	Previous
8.30 am	81.3	81.3
9.00 am	81.3	81.3
10.00 am	81.3	81.3
11.00 am	81.3	81.3
Noon	81.3	81.2
1.00 pm	81.3	81.2
2.00 pm	81.3	81.2
3.00 pm	81.3	81.2
4.00 pm	81.2	81.4

LONDON

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
Dec	112-07	112-14	112-11	112-05
March	112-12	112-22	112-12	122-12
June	112-12	112-20	112-18	112-07

Estimated volume 2,255 (4,086)
Previous day's open int 8,301 (—)
Basis quote (clean cash price of 13½% Treasury 2004-08 less equivalent price of near futures contract) −6 to +4 (32nds)

10% NOTIONAL SHORT GILT £100,000 64ths of 100%

	Close	High	Low	Prev
Dec	97-23	97-21	97-10	97-16
March	97-36	97-36	97-30	97-33

Estimated volume 274 (526)
Previous day's open int 1,206 (1,400)

THREE-MONTH STERLING £500,000 points of 100%

	Close	High	Low	Prev
Dec	88.46	88.49	88.45	88.48
March	89.09	89.16	89.09	89.13
June	89.45	89.51	89.45	89.48
Sept	89.55	89.61	89.54	89.55
Dec	89.51	—	—	88.48

Estimated volume 1,097 (2,062)
Previous day's open int 7,968 (8,069)

FT-SE 100 INDEX £25 per full index point

	Close	High	Low	Prev
Dec	140.50	142.25	140.20	142.00
March	141.80	143.20	143.20	143.30

Estimated volume 434 (934)
Previous day's open int 2,537 (2,289)

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
Dec	91.84	91.60	91.83	91.83
March	91.87	91.88	91.85	91.83
June	91.72	91.72	91.70	91.67
Sept	91.46	91.47	91.43	91.40
Dec	91.17	91.10	91.15	91.11

Estimated volume 3,431 (5,260)
Previous day's open int 21,120 (21,109)

US TREASURY BONDS 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	91-01	81-12	81-01	80-23
March	79-24	80-03	79-22	79-15
June	78-23	—	—	78-16

Estimated volume 3,011 (4,022)
Previous day's open int 2,967 (2,939)

LIFFE—EURODOLLAR OPTIONS $1m points of 100%

Strike price	Calls—Last Dec	Calls—Last March	Calls—Last June	Vol	Puts—Last Dec	Puts—Last March	Puts—Last June	Vol
90.00	1.84	1.87	1.74	—	0.00	0.00	0.02	—
90.50	1.34	1.38	1.28	—	0.00	0.01	0.05	—
91.00	0.84	0.90	0.85	—	0.00	0.03	0.14	—
91.50	0.35	0.49	0.51	100	0.01	0.12	0.29	40
92.00	0.03	0.20	0.28	27	0.19	0.33	0.54	4
92.50	0.00	0.05	0.10	—	0.66	0.88	0.89	—
93.00	0.00	0.01	0.03	—	1.16	1.14	1.31	—

Previous day's open int. Calls 2,940, Puts 3,240

LIFFE £/$ OPTIONS £25,000 (cents per £1)

Strike price	Calls—Last Dec	Calls—Last March	Calls—Last June	Vol	Puts—Last Dec	Puts—Last Jan	Puts—Last Feb	Vol
1.20	28.57	28.57	28.57	—	0.00	0.01	0.15	—
1.25	23.57	23.57	23.57	—	0.00	0.04	0.40	—
1.30	18.57	18.57	18.57	—	0.00	0.17	0.92	—
1.35	13.57	13.57	12.67	1	0.00	0.55	1.85	—
1.40	0.57	0.76	9.66	5	0.00	1.46	3.31	619
1.45	3.58	5.44	6.75	1	0.12	3.14	6.41	57
1.50	0.49	3.05	6.51	46	2.04	6.76	6.10	—

Previous day's open int. Calls 10,066, Puts 17,545

LONDON SE £/$ OPTIONS £12,500 (cents per £1)

Strike price	Calls—Last Dec	Calls—Last Jan	Calls—Last Feb	Vol	Puts—Last Dec	Puts—Last Jan	Puts—Last Feb	Vol
1.20	2,870	—	—	—	10	—	—	—
1.25	2,370	—	—	—	10	—	—	—
1.30	1,870	—	—	—	10	—	—	—
1.35	1,370	1,370	1,370	6	10	15	35	8
1.40	870	870	870	—	10	35	100	—
1.45	370	420	490	53	30	105	240	20
1.50	55	150	240	22	210	340	500	—

Previous day's open int. Calls 8,049, Puts 10,175

PHILADELPHIA SE £/$ OPTIONS £12,500 (cents per £1)

Strike price	Calls—Last Dec	Calls—Last Jan	Calls—Last Feb	Vol	Puts—Last Dec	Puts—Last Jan	Puts—Last Feb	Vol
1.20	—	—	—	—	—	—	—	—
1.25	—	—	—	—	—	—	—	—
1.30	—	—	—	—	—	—	—	—
1.35	13.50	—	—	22	—	—	—	—
1.40	8.40	—	—	2	—	—	0.75	4
1.45	3.60	4.10	—	90	—	—	2.00	4
1.50	0.35	1.45	—	1,852	—	—	—	—

Previous day's open int. Calls n/a, Puts n/a

CHICAGO

US TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Dec	81-05	81-12	91-01	80-30
March	79-27	80-04	79-23	76-20
June	78-24	79-01	78-20	78-16
Sept	77-22	77-29	77-20	77-16
Dec	76-22	77-01	76-22	76-10
March	75-23	76-05	75-29	75-24
June	—	—	—	75-01
Dec	—	—	—	73-28
March	—	—	—	73-13

US TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	92.93	92.95	92.92	92.93
March	92.95	92.96	92.93	92.93
June	92.82	92.84	92.78	92.77
Sept	92.56	92.58	92.52	92.51
Dec	92.28	92.28	92.27	92.23
March	91.99	91.99	—	91.96
June	91.73	91.73	—	91.70
Sept	91.48	91.48	—	91.45

CERT DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	92.13	92.13	92.13	92.12
March	92.18	92.18	92.19	91.14
June	—	92.01	—	91.96
Sept	—	91.73	—	91.67

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
Dec	91.84	91.86	91.84	91.84
March	91.87	91.89	91.85	91.83
June	91.72	91.73	91.69	91.65
Sept	91.44	91.46	91.42	91.37
Dec	91.16	91.17	91.13	91.08
March	90.88	90.88	90.85	90.80
June	90.61	90.61	—	90.53
Sept	90.34	90.34	—	90.26

MONEY MARKETS

Hopes fade of early cut in rates

Hopes of an imminent reduction in clearing bank base rates faded yesterday in London. Earlier in the week when sterling was touching $1.50 and its exchange rate index was at a two month high, there were signs of cautious optimism. However sterling's failure to maintain this momentum, a weekend Opec meeting and a gentle nudge from the Bank of England were sufficient to extinguish any lingering hopes.

Against this background discount houses took the opportunity to sell a large number of bills outright which in more favourable circumstances they may have held on to. Consequently period rates were a little firmer with three-month eligible bank bills bid at 11 5/16-11 7/16 per cent up from 11¼ per cent and three-month interbank higher at 11 9/16-11 11/16 per cent from 11 7/16-11 9/16 per cent. Overnight interbank money opened at 11¾-11⅞ per cent and touched 13 per cent before easing to 11 per cent. Late balances were taken nearer 12½ per cent.

The Bank of England forecast a shortage of around £1,100m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £724m and the unwinding of previous sale and repurchase agreements a further £237m. There was also a rise in the note circulation of £155m and banks brought forward balances £65m below target. These were partly offset by Exchequer transactions which added £95m.

The Bank gave assistance in the morning of £309m, comprising purchases of £1m of eligible bank bills in band 1 at 11⅜ per cent, £5m in band 2 at 11 5/16 per cent and £13m in band 3 at 11¼ per cent. In band 4 it bought £4m of local authority bills at 11 3/16 per cent. It also arranged sale and repurchase agreements on £286m of bills at 11 7/16-11½ per cent, unwinding on December 30.

The forecast was later revised to a shortage of around £1,050m before taking into account the early help and the Bank gave additional assistance in the afternoon of £662m. This comprised purchases of £234m of eligible bank bills in band 2 at 11 5/16 per cent and in band 3 £8m of local authority bills and £241m of eligible bank bills all at 11¼ per cent. In band 4 it bought £22m of Treasury bills, £15m of local authority bills and £142m of eligible bank bills all at 11 3/16 per cent. Total help was £971m.

In Frankfurt call money fell to 4.7-4.8 per cent from 5-5.2 per cent on Tuesday following the Bundesbank's injection of DM 18.6bn of fresh liquidity. This more than offset a maturing facility of DM 9.1bn and indicated the authorities desire not to see interest rates rise.

UK clearing banks base lending rate 11½ per cent since July 30

NEW YORK RATES

(Lunchtime)

Prime rate	9½
Broker loan rate	9½
Fed funds	8⅛
Fed funds at intervention	8 1/16
Treasury Bills & Bonds	
One month	6.54
Two months	7.24
Three month	7.45
Six month	7.59
One year	7.87
Two year	8.48
Three year	8.73
Four year	8.99
Five year	9.17
Seven year	9.50
10 year	9.62
30 year	9.30

FT LONDON INTERBANK FIXING

(11.00 a.m. Dec. 4)

Three months U.S. dollars		Six months U.S. dollars	
bid 8 1/8	offer 8 1/4	bid 8 1/8	offer 8 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

Dec. 4	Over night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	11-13	11¾-12	11⅝-11¾	11 9/16-11 11/16	11⅝-11½	11½-11⅝
Sterling CDs	—	—	11⅝-11¾	11⅝-11½	11 7/16-11 5/16	10 15/16-13 1/16
Local Authority Depos.	11⅞	11⅝	11⅝	11 9/16	11⅝	11⅛
Local Authority Bonds	—	—	12 1/16	12	11¾	11⅝
Discount Mkt Depos.	11-12	11⅝	11⅛	11¼	—	—
Company Depos.	11½-12 1/16	12	11⅛	11¾	—	—
Finance Hse Depos.	—	—	11 11/16	11 7/16	11⅝	11¼
Treasury Bills (Buy)	—	—	11 5/16	11⅛	—	—
Bank Bills (Buy)	—	—	11¾	11 5/16-11 3/16	10¾	—
Fine Trade Bills (Buy)	—	—	12	11 9/16	11⅝	—
Dollar CDs	—	—	8.05-8.15	8.0-8.1	8.0-8.1	8.15-8.25
SDR Linked Depos.	—	—	8-8¼	7 13/16-8 1/16	7 13/16-8 1/16	7 15/16-8 3/16
ECU Depos.	—	—	8⅝-8¾	8⅝-8¾	8⅝-8¾	8 9/16-8 11/16

Treasury Bills (sell): one-month 11 3/32 per cent; three-month 11 3/32 per cent. Bank Bills (sell): one-month 11 11/32 per cent; three-month 11 7/32-11⅛ per cent. Treasury Bills: Average tender rate of discount 11.0153 per cent. ECGD Fixed Finance Scheme IV reference rate November 6 to December 3 (inclusive): 11.612 per cent. Local authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 12 per cent from December 1, 1985. Bank Deposit Rates for sums at seven days' notice 6.25-6.625 per cent (nil). Certificates of Tax Deposits (Series 6): Deposits £100,000 and over held under one month 11½ per cent; one-three months 11⅜ per cent; three-six months 11¼ per cent; six-nine months 11⅛ per cent; nine-12 months 11¼ per cent. Under £100,000 10¾ per cent from November 29. Deposits held under Series 5 11¾ per cent. Deposits withdrawn for cash 7⅞ per cent.

MONEY RATES

Dec. 4	Over night	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	4.7-4.8	4.75-4.00	4.75-4.90	4.75-4.90	4.75-4.90	5.5
Paris	8⅞	8½-8⅝	8 9/16-8 11/16	8⅝-8¾	8⅝-8 11/16	8¾
Zurich	3½-1⅛	4⅛-4¼	—	4¼-4⅜	—	—
Amsterdam	5¾-5½	5 11/16-5⅞	—	5⅝-5¾	—	—
Tokyo	7.96875	8.16625	—	7.00625	—	—
Milan	14½-18	15-15¾	—	15¼-15¾	—	—
Brussels	7.90	8¼-8⅝	—	8¼-8½	—	—
Dublin	—	10-10¼	10⅛-10¼	10⅛-10¼	10¼-10½	—

LONDON SHARE SERVICE

BRITISH FUNDS

1985 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
101	99	Exch 11½pc '86	99		11.76	11.65
99	96¼	Treas. 10pcCnv 1986	99	+	10.05	11.27
96½	92¾	Treas 3pc 1986	96½		3.10	10.84
700	97½	Exch 10½pc 1986	99	+	10.53	11.20
101⅞	99¾	Treas 12pc 1986	100⅝xd	+	11.95	11.29
98⅝	94¼	Treas 8¼pc 1984-86‡‡	98⅝xd	+⅛	8.62	11.15
105	102	Exch. 14pc 1986	102¼	+	13.67	11.10
94¼	87¼	Exch. 2½pc 1986	94¾		2.63	8.28
104	101¼	Exch. 13¼pc 1987	102	+	12.99	11.21
99	96⅝	Treas 10¼pcCv '87	99	+	10.35	11.08
93⅛	85½	Exch 2½pc 1987	93	+	2.69	8.63
100	96¼	Exch. 10½pc 1987	99	+	10.57	11.03
95	89	Funding 6½pc '85-87‡‡	94⅞		6.85	10.52
99	95½	Treas. 10pc 1987	98xd		10.15	11.07
91¼	84¾	Treas 3pc 1987	91	−	3.28	8.82
702	99⅛	Treas. 12pc 1987	701⅝	+	11.81	11.01
95	90¼	Treas 7¾pc 1985-88‡‡	99	+	8.22	10.75
100	95¼	Exch 10½pc '80	99¼	+⅛	10.58	10.86
98⅛	93¼	Treas 9¾pc Cv '88	97⅛xd	+	10.01	10.90

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS—Cont.

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

مكان الأصل

INDUSTRIALS—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
238	146	M'c'rthy Pb 20p	237		8.2	2.0	4.9	14.6
150	87½	Macfarlane Gp	124		†h2.36	3.1	2.5	17.4
47	34	Maclellan (P.& W.) 20p	46		11.7	2.3	5.3	9.3
88	46	Magnolia Group	88		2.6	3.0	4.2	10.7
60	38	‡Mannnel Hldgs 10p	53		—	—	—	86.5
515	202	Man. Ship Can. £1	487		5.5	3.5	1.6	25.6
123	70	Marley	121		3.75	2.2	4.4	14.6
107	52	Marling Ind. 10p	88		d1.5	5.1	2.4	11.2
82	36	Marshall L'v'y. 'A'	72	−2	†2.4	4.9	4.8	5.2
77	55	Marshall's Universal	72		†2.0	1.4	4.0	(22.0)
89	78	Do. 7½pcCnRedPf £1	87		7½%	—	12.3	—
£110	£81	♥Martinsons 7¼%	£110		Q7¼%	2.5	17.2	—
35	13	‡Mastorim 1p	19		—	—	—	—
551	375	Metal Box £1	513xd	−3	17.25	3.0	4.8	8.1
170	110	Metal Closures	133	−1	6.7	2.0	7.2	8.3
17	3	‡Metal Sciences 2½p	4½		—	—	—	—
104	63	‡Midland Marts	80xd		4.0	2.1	7.1	9.6
*83½	55½	Mitchell Cotts	68½xd	+½	4.25	2.0	8.9	(6.9)
230	182	Morgan Crucible	202		18.0	1.6	5.7	14.0
33	22	‡Morris (W) F.A. 20p	23		g0.5	♦	3.1	♦
131	91	Moss (Robt.) 10p	110xd		73.0	2.7	3.9	11.8
81	60	Myson Grp 10p	65	−½	g2.5	3.4	5.5	12.3
328	214	‡NMW Computers	325	+20	†h4.8	2.7	2.1	25.0
43	28	Nash Inds.	38		‡2.5	1.5	‡	6.9
48	13	Neil & Spencer 10p	16		♦	—	—	4.8
44	14½	Newman Inds 10p	32	−3	70.3	—	2.5	(15.1)
57	26	Nolton	51	−1	1.17	8.1	3.5	6.4
216	146	Norcros	207		8.6	2.2	5.9	10.3
67	45	Nu-Swift 5p	47		†3.0	1.9	9.1	7.6
114	68	Oakwood Grp	97		†d4.5	1.4	6.6	(14.3)
250	150	Office & Elect	218	−2	†7.5	2.6	3.5	10.8

LEISURE—Continued

1985 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
235	170	Chrysalis	220	−2	a7.36	♦	4.9	♦
52	7	‡Emerdale Prod 5p	9	−1	bo2.25	2.1	35.7	1.6
82	50	Fairline Boats 10p	81		†2.63	2.6	4.6	11.5
403	228	First Leisure £1	403	+3	†6.5	2.8	2.3	18.8
69	51	GRA Group 5p	68½		—	—	—	91.4
32	13	Grampian TVA 10p	30xd	+2	†h1.67	♦	7.9	♦
35	10	‡Greenwich Cable Comm.	18		—	—	—	—
175	117	HTV Non/Vtg.	175		7.7	2.9	6.3	7.8
148	78	Horizon	93		♦4.4	3.6	6.8	4.2
140	95	Intal Leisure 10p	105		4.8	3.1	6.5	5.7
232	90	Juliana's Hldgs 2p	90		†2.0	1.8	2.0	14.0
300	217	LWT	259xd	−4	14.4	1.8	7.9	9.9
*36½	23½	‡Leisure Inv 10p	33½		—	—	—	♦
65	53	Leisuretime Inv 10p	60		†2.1	3.9	5.0	6.4
115	98	‡Lewmar	180		u2.63	5.0	3.7	12.4
183	133	‡Media Tech Int 20p	170		g2.58	5.4	2.2	13.8
205	124	Medminster 10p	155xd		5.35	2.0	4.9	14.2
280	175	‡Miss World 10p	180		3.6	4.1	2.9	12.3
*127½	68	Nationwide Leisure	68		†3.75	2.5	7.9	6.0
39	11½	‡Nimslo Int 20c	11½		—	—	—	—
27	19½	‡Owners Abroad	22¼		1.0	2.2	6.3	10.2
54	36	Photax (Lon.)	42		—	—	—	—
24½	10	‡P'dilly Radio NV 5p	24		1.87	1.1	12.2	11.9
90	30	‡Pineapple Dnc 5¢10p	38		—	—	—	—
342	183	Pleasurama 5p	320		†h4.6	3.7	2.2	19.0
161	109	Do. 7scCvCnRedPf	156	−1	7%	—	6.4	—
96	77½	‡Pres Entertain 50p	85	+½	†2.0	2.1	3.4	20.2
65	10	‡Radio City 'A' NV	27		—	—	—	—
55	35	‡Radio Clyde NV	40		3.25	2.0	11.6	5.9
63	34	Riley Leisure 10p	52		‡0.7	—	‡	—
194	143	Saga Hols. 20p	192	−1	†4.0	2.1	3.0	20.5

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Cont.

MINES—Continued

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

Tins

Miscellaneous

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

INSURANCES

PROPERTY

LEISURE

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution, this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited
- ♥ Not officially UK listed, dealings permitted under Rule 535(4)(a).
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ¶¶ Dealt in under Rule 535(3).
- ø Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♣ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim, reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided
- ‖ No par value

B Fr. Belgian Francs. Fr. French Francs. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xl ex capital distribution

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency

Albany Inv 20p	102		Fin. 13% 97/02	£105¼	+¼
Craig & Rose £1	800xd		Arnotts	227xd	
Finlay Pkg 5p	31		CPI Hldgs	70	
Holt (Jos) 25p	710		Carrol Inds.	150	
IoM Sun £1	75		Dublin Gas	77	
			Hall (R. & H.)	36	
IRISH			Heiton Hldgs.	24	
Fund 11¼% 1988	£100¼		Irish Ropes	45	
Nat. 9¾% 84/89	£95¼		Unidare	130	

"Recent Issues" and "Rights" Page 42
(International Edition Page 32)

LONDON STOCK EXCHANGE

MARKET REPORT

Equities resume downturn in uncertain market and FT index closes 12.5 lower at 1115.8

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Nov 11	Nov 21	Nov 22	Dec 2
Nov 25	Dec 5	Dec 6	Dec 16
Dec 9	Dec 19	Dec 20	Jan 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

There were significant signs yesterday that the London share market was experiencing a shortage of funds owing to recent heavy public and underwriting calls. After showing stability during the morning business, the tone deteriorated from around midday and many leading stocks closed with further sharp losses.

Selling pressure was only light with no further evidence of institutional fund-raising but, in the absence of demand, renewed profit-taking made a marked impression. Speculative issues along with high-flying shares were the first to wilt with the bulk of blue chip stocks following a while later.

Lower North Sea spot oil prices were unsettling but the main cause of the setback appeared to be a lack of investment funds. Over £2bn is tied up in the Laura Ashley share flotation while the underwriting of the Cable and Wireless offer-for-sale and several large takeover offers have absorbed more cash. The recent issue of new Government stocks together with large subscriptions to lesser new shares offerings have also placed a strain on market resources.

A further reminder of the increasing pressures came early in the session yesterday via news that Lloyds Bank had placed its entire holding in Royal Bank of Scotland, some 46.27m shares, at 270p per share. The Kuwait Investment Office was believed to have significantly increased its stake in RBS.

Shortly after this development both financial and industrial stocks backtracked from slightly higher early levels. Knowledge that jobbers would today step up charges for "new-time" business covering the trading account starting on Monday, added to market's malaise. News of a bright trend in early Wall Street applied a brake to the sharp decline but the FT Ordinary Share Index still closed at the session's lowest, down 12.5 at 1115.8.

PWS Int pleases

Sporadic demand for Gilt-edged securities was encouraged by a more favourable trend in the US bond market. The pound's steadier performance against the dollar also contributed in a market possibly oversold after Monday's setback. Late news of a US broker loan rate increase made little impact on late sentiment and selected longer-dated Gilts settled ⅜ up on balance. Shorter maturities posted improvements ranging to ⅛.

PWS International provided an isolated firm spot in Insurances, rising 20 to 240p in response to better-than-expected interim profits.

Relatively subdued for most of the session, leading Breweries encountered fresh offerings after-hours' and closed at the day's lowest levels. Allied-Lyons led the downturn, falling 9 more to 277p as confidence was again unsettled by fears that Elders' offer will be referred to the Monopolies Commission. Bass, annual results due today, gave up 7 to 650p, while Scottish and Newcastle dipped 4 to 183p. Regionals also lacked support with Greene King 7 lower at 210p. J. A. Devenish were marked 30 lower to 690p following the disappointing preliminary figures. Elsewhere, Distillers reacted to profit-taking and closed 11 cheaper at 492p, while bidder Argyll Group eased 2 to 340p.

Better-than-expected interim profits prompted a gain of 13 to 140p in Allied Colloids, while satisfactory half-year results left Coalite 4 firmer at 275p. British Benzol, a potential shell situation, advanced 5½ more to 49½p.

British Home Stores advanced to 432p in lively initial dealings as rumours swept the market that Sears was poised to launch a counter-bid; the former's shares dipped to 416p, however, before settling a net 4 to the good at 426p as Sears chairman Sir Geoffrey Maitland repudiated the suggestions. Sears eased a couple of pence to 109p, while Habitat Mothercare, which stood at 565p when the proposed merger with BHS was announced last week, retreated 16 further to 502p. Noteworthy movements among secondary Stores were rare, although USM-quoted Gee/Rosen, a rising market of late, fell 11 to 40p despite the increase interim profits and dividend.

Business in the Electrical after the previous day's burst of leaders slackened considerably activity prompted by GEC's bid proposal for Plessey. The latter were inclined easier initially at 170p but subsequently rallied to 178p before settling unchanged on the day at 174p. GEC, in contrast, succumbed to selling in the wake of Tuesday's interim results and gave up 10 at 176p. Racal closed unaltered at 164p, after 168p, but British Telecom eased 4 to 199p. In contrast, comment on the preliminary figures enlivened International Signal, which gained 20 to 333p, while Logica came to life at 131p, up 8.

Hawker, up 12 at 439p on reports of a broker's lunch with the company, featured an otherwise drab day in the Engineering leaders. Elsewhere, Pegler Hattersley, reflecting disappointing interim figures, closed 11 down at 317p, after 308p. Simon Engineering, in contrast responded to a newsletter recommendation with a rise of 10 to 210p, while demand continued for Victor Products, up 6 more at 132p.

Attention in Foods again centred on United Biscuits. In the opening exchanges, the shares raced ahead to 268p on strong rumours of an imminent US counter to Imperial's offer, but in its absence reacted to end the session unaltered at 256p; Imps ended a couple of pence off at 232p. Elsewhere, Ranks Hovis McDougall lost 4 at 174p following comment on the preliminary figures, but Rowntree Mackintosh attracted support at 405p, up 10. Demand ahead of today's interim results helped Dee Corporation move up 8 to 283p. Pyke, currently in receipt of a bid from Hillsdown, jumped 22 to 415p on news of a rival 440p per share tender offer from Glen International.

Grand Metropolitan lost 10 to 366p and Trusthouse Forte dipped 3 to 153p in a drab Hotel sector.

Traf. House sold

Among the miscellaneous industrial leaders, Trafalgar House ran into selling following comment on the preliminary figures and closed 18 down at the day's lowest of 368p. Boots were an active market again and touched 260p before falling back to close 4 off on the day at 247p. BOC, down 8 at 309p, were uninspired by the annual results. Elsewhere, Bowater, reflecting news that Hanson Trust had increased its stake to around 10 per cent, advanced 12 to 340p. Business Computers improved to 26p before settling at 23p, up 3, on news of the agreed share exchange offer from Electronic Data, 6 higher at 74p. Other computer issues to improve included Star, 10 dearer at 55p, and NMW, 20 to the good at 325p. Disappointing preliminary figures prompted selling of Avon Rubber, which touched 306p before settling 20 lower on balance at 310p. Robertson Research, on the other hand, responded to satisfactory interim figures with a rise of 13 to 160p. Cape Industries, a good market of late, ran back 3 to 60p following the half-year statement.

Talk of a bid from Hawley continued to generate demand for a two-day advance of 6 to fo ra two-day advance of 6 to 31p.

Jaguar responded favourably to currency influences and rallied 10 to 316p. Other Motors generally traded in subdued fashion, although a couple of firm spots emerged among Distributors where Lex Service advanced 16 more to 293p, again reflecting hopes of a recovery in its US electronics operations. Godfrey Davis improved 4 to 98p following the interim statement.

Advertising agents Saatchi and Saatchi encountered scattered profit-taking after the preliminary figures and eased 20 to 735p. Holmes and Marchant, which also revealed increased full-year profits, traded in similar fashion and dipped to 372p before settling 5 cheaper on balance at 380p.

A few bright features emerged in Properties. Revived rumours of a bid from Stockley left Stock Conversion 15 better at 545p, after 560p, while Land Investors continued to reflect takeover hopes with a fresh rise of 2 to 58p. Southend Stadium were again popular amid speculation that Yelverton had sold its near-30 per cent stake in the company to a private development group and closed 3 dearer at 95p. Grainger Trust responded to the annual profits upsurge with a rise of 20 to 425p, while increased interim earnings lifted Mountview Estates 5 to 365p. Estate agents Bairstow Eves gained 3 to 145p on talk of a Barclays counter to the Hambros offer already on the table.

Company trading statements enlivened an otherwise idle session in Textiles. Lister touched 70p before settling a net penny dearer at 69p following the interim profits recovery, while Illingworth Morris also hardened the turn, to 96p, in reply to the sharply increased first-half profits and return to the interim dividend list.

Financials featured fresh support for Britannia Arrow which advanced 5 to 147p, after 148p, on news that Mr Robert Maxwell has acquired around 5 per cent of the equity to bolster the group's defence against the unwelcome offer from Guinness Peat, a couple of pence to the good at 78p. Elsewhere, Exco International rose 8 to 224p as Malaysian entrepreneur Tan Sri Khoo Teck Puat increased his holding to 58.25m shares. Ireland's Silvermines were lively following the appointment of former Exco chief executive Mr John Gunn to the board; up to 157p immediately following the announcement, Silvermines reacted to short-term profit-taking but still retained a gain of 4 at 143p.

Oils under pressure

The oil sector opened on a reasonably steady note before retreating sharply in the wake of a sudden and steep decline in crude oil spot markets. The latter were said to be increasingly depressed in the run-up to the forthcoming Opec meeting scheduled to commence at the weekend. BP edged higher to 562p before a flurry of selling pressure lowered the quotation to a closing level of 545p, a net fall of 10, while Shell slipped 5 to a year's low of 640p. Britoil fell to 215p prior to ending the session 6 down on balance at 217p.

Secondary oils suffered from general lack of interest. Carless Capel dipped to 100p, prior to closing 4 off at 103p. Caledonian Offshore gradually declined to end the day 35 down at 290p and Triton Europe gave up 5 to 310p.

Golds rally

Another firm showing by the bullion price and news that the South African Government has lifted the State of Emergency in eight districts of the Republic prompted a much more confident performance by South African gold shares. Overseas operators shrugged aside recent concern caused by the calls by the recently-formed Congress of South African Trade Unions for the nationalisation of the mining industry and early dealings were featured by persistent buying of top-quality golds by Johannesburg and Continental traders. This continued throughout the session and golds generally closed around the day's best levels.

The Gold Mines index posted a 5.7 rise at 276.3 while the bullion price edged up 75 cents more to $323.3 an ounce.

In Tins, Geevor dipped to a 1985 low of 74p before closing unchanged at 77p following the interim dividend omission.

Active conditions again prevailed in Traded Options. Total contracts struck amounted to 17,979 comprising 12,438 calls and 5,541 puts. Electrical counters remained to the fore with GEC and Racal both recording in excess of 1,500 calls. Beecham attracted 1,601 calls and 328 puts. The FT-SE 100 volume, reflecting substantial hedging operations, was 704 calls and 1,634 puts.

FINANCIAL TIMES STOCK INDICES

	Dec. 4	Dec. 3	Dec. 2	Nov. 29	Nov. 28	Nov. 27	year ago
Government Secs	83.79	83.5e	83.98	83.21	23.95	83.63	83.66
Fixed Interest	88.33	89.18	89.38	89.38	89.46	189.ee	86.41
Ordinary ♥	1115.8	1128.3	1164.4	1142.9	1133.0	1158.6	914.2
Gold Mines	276.3	270.6	278.7	286.6	286.9	299.0	566.8
Ord. Div. Yield	4.41	4.37	4.ee	4.30	4.32	4.30	4.66
Earnings, Yld. %(full)	10.96	10.85	10.84	10.68	10.74	10.70	11.23
P/E Ratio (net) (*)	11.2e	11.36	11.38	11.35	11.49	11.52	10.06
Total bargains (Est.	24,019	31,266	32,854	36,150	25,909	28,331	24,502
Equity turnover £m	—	562.54	477.63	490.17	632.32	593.24	486.28
Equity bargains	—	24,763	24,254	08,508	2e,524	27,266	22,384
Shares traded (ml)	—	274.3	220.7	240.4	287.2	280.1	346.4

♥ 10 am 1129.0. 11 am 1130.0. Noon 1128.e. 1 pm 1125.1. 2 pm 1121.1. 3 pm 1118.0. 4 pm 1117.3.

Day's High 1131.0. Day's Low 1115.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=10.85.

HIGHS AND LOWS / S.E. ACTIVITY INDICES

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low		Dec. 4	Dec. 3
Govt. Secs.	84.57 (18/10)	78.02 (28/1)	127.4 (9/1/35)	49.18 (3/1/75)	Daily Gilt Edged Bargains	146.8	165.2
Fixed Int.	90.62 (25/10)	82.17 (28/1)	150.4 (28/11/47)	50.53 (3/1/75)	Equities Bargains	150.4	161.1
					Value	1161.2	665.4
Ordinary	1146.9 (25/11)	911.0 (25/7)	1146.5 (25/11/85)	49.4 (26/6/40)	5 day Average Gilt Edged Bargains	146.2	138.0
Gold Mines	536.5 (15/4)	217.6 (5/11)	734.7 (15/2/83)	43.5 (26/10/71)	Equities Bargains	166.4	173.2
					Value	1112.8	1146.4

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	Tuesday Rises	Tuesday Falls	Tuesday Same
British Funds	86	1	10	4	94	11
Corpns Dom & Foreign Bonds	17	13	54	2	1e	63
Industrials	209	360	920	168	521	800
Financial & Props	11e	106	343	49	236	280
Oils	12	30	85	14	46	68
Plantations	4	3	3	a	6	11
Mines	47	22	117	28	68	90
Others	41	77	122	71	54	113
Totals	544	613	1,660	338	1,041	1,438

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (26)

BRITISH FUNDS (3)
Treas. 8½pc '84-85 Conv. 3½pc '61 Aft. Consols 4pc

LOANS (1)
Nationwide Bldg. Soc. 10¼pc 9/12/85

AMERICANS (2)
Cons. Freightways Pennzoil

BUILDINGS (1)
Helical Bar

STORES (2)
Kent (John) Moss Bros.

ELECTRICALS (1)
Electrocomponents

ENGINEERING (1)
Victor Products

FOODS (2)
Pyke Hldgs. Watson & Philip

HOTELS (1)
Inn Leisure

INDUSTRIALS (4)
Burns Anderson Robertson Research Coloroll Watson (R. Kelvin)

LEISURE (2)
First Leisure Scottish TV A

PAPER (1)
Lowe How'd-Spink C-E

PROPERTY (2)
Grainger Trust Southend Stadium

TRUSTS (1)
Fleming Claverhouse

OILS (1)
Total-Cie Fr. Pet. B

OVERSEAS TRADERS (1)
Tozer Kemsley

NEW LOWS (38)

AMERICANS (2)
Sun Co. Inc. Texaco

BANKS (1)
ANZ

ELECTRICALS (6)
Multitone Elects. Quest Automation Oceonics Sintrom Prestwick Webber Electro

INDUSTRIALS (5)
Baynes (Charles) Eastern Produce Biddle Restmor Boot (Henry)

LEISURE (1)
Juliana's

PROPERTY (1)
Property Trust

SHIPPING (2)
Lyle Shipping Lyle Shipping Pfd.

TEXTILES (1)
Corah

TRUSTS (2)
London Trust Pacific Assets Trust

OILS (9)
Bridge Oil Sovereign Oil LASMO Texaco 4½pc Cnv. Magellan Petroleum Tricentrol Marinex Petroleum Do. 11pc Cnv. Ln. Shell Transport 1995-2005

OVERSEAS TRADERS (1)
Inchcape

PLANTATIONS (3)
Cons. Plants. Williamson Tea Plantation & Gen. Inv.

MINES (4)
Southern Goldfields Geevor Tin Western Mining RTZ 9½pc Ln. '95-20

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 13	Nov 29	Feb 20	Mar 3
Dec 2	Dec 13	Mar 6	Mar 17
Dec 16	Jan 3	Mar 26	Apr 7

For rate indications see end of Unit Trust Service

Call options were taken out in C. H. Bailey, Amstrad Consumer Electronics, Taverner Rutledge, Petrogen, Consolidated Gold Fields, Coloroll, Boots, Cosalt, BBA, Atlantic Resources, STC and Wordplex. No puts or doubles were recorded.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

RIGHTS OFFERS

Issue price	Amount paid up	Latest Renunc. date	1985 High	1985 Low	Stock	Closing price	+ or
240	Nil	20/1	45pm	35pm	Samuelson Grp. 20p	35pm	
127	Nil	8/1	36pm	24pm	Wedgwood	26pm	+2

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. g Assumed dividend and yield. H Dividend and Yield based on prospectus or other official estimates for 1986. u Forecast otherwise indicated. ‡ Issued by tender. ‖ Offered holders of ordinary shares as a "rights." ** Issued by way of capitalisation. § Placing price. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or takeover. ■ Allotment price. ‡‡ Dealt in under Rule 535 (3). ♥ Dealt in under Rule 535 (4) (a). † Units comprising 5 ordinary shares and 1 warrant.

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Avon Rubber	310	−20
Boots	247	− 4
British Home Stores	426	+ 4
BP	545	−10
Burton	545	− 3
English China Clays	294	—
Logica	131	+ 2
Racal Electronics	162	—
SGB	262	+ 4
Sears	109	− 2
Trafalgar House	368	−18
United Biscuits	256	—

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
J. S. Pathology	43	195	—
Plessey	42	174	+38
United Biscuits	23	256	−17
Br. Home Strs.	21	422	+10
GEC	21	186	+12
Ferranti	20	140	+12
Boots	17	251	− 7
Dalgety	17	135	—
Racal Electa	17	162	+16
Cable & Wire.	16	610	− 3
Trafalgar Hse.	15	386	− 9
BAT Industries	15	278	—

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

FIXED INTEREST

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$360	—	—	1	20.50	—	—	$354.70
GOLD C	$340	3	4	10	10.10	12	16.50	”
GOLD C	$360	—	—	15	4.50 B	6	8	”
GOLD P	$320	3	6 A	—	—	—	—	”
GOLD P	$340	6	17	—	—	—	—	”

TOTAL VOLUME IN CONTRACTS: 31,984

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

December 4 Total contracts 17,979 Calls 12,438 Puts 5,541

*Underlying security price

WORLD STOCK MARKETS

AUSTRIA | GERMANY | NORWAY | AUSTRALIA (continued) | JAPAN (continued)

BELGIUM/LUXEMBOURG | SPAIN | SWEDEN | HONG KONG | DENMARK | ITALY | SWITZERLAND | JAPAN | FRANCE | NETHERLANDS | AUSTRALIA | SINGAPORE | SOUTH AFRICA

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

Prices at 2.30pm December 4

Total Sales 4,686,581 shares

F—No voting rights or restricted voting rights.

MONTREAL

Closing prices December 3

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

Continued from Page 35

Indices

NEW YORK-DOW JONES

	Dec 4	Dec 3	Dec 2	Nov 28	Nov 27	Nov 26	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	1,465.83*	1,458.08	1,457.91	1,472.13	1,475.69	1,458 77	1475.60 (27/11)	1184.96 (4/1)	1476.65 (27/11/85)	41.22 (2/7/32)
Transport	696.86*	690.18	687.27	690.13	683.17	676.97	702.6 (17/7)	553.83 (4/1)	702.60 (17/7/85)	12.32 (8/7/32)
Utilities	164.24m*	163.83	163.82	164.03	164.44	164.60	168.91 (12/7)	146.54 (4/1)	168.91 (12/7/85)	10.5 (28/4/42)
Trading vol		109.7m	103.3m	143.6m	143.6m	123m	--	--	--	--

	Nov 22	Nov 15	Nov 8	Year Ago (Approx)
Ind Div Yield %	4.32	4.40	4.49	4.79

STANDARD AND POORS

	Dec 4	Dec 3	Dec 2	Nov 28	Nov 27	Nov 29	1985 High	1985 Low	Since Compilation High	Since Compilation Low
Industrials	227.24	223.58	223.10	226.21	225.77	223.61	225.77 (27/11)	128.24 (4/1)	225.77 (25/11/86)	3.62 (30/6/32)
Composite	204.23	200.86	200.46	202.17	202.54	200.67	202.54 (27/11)	163.68 (4/1)	202.54 (27/11/85)	4.40 (1/6/32)

	Nov 20	Nov 13	Nov 6	Year Ago (Approx)
Ind div yield %	3.57	3.62	3.66	4.07
Ind. P/E Ratio	13.54	13.38	13.19	10.60
Long Gov Bond Yield	9.93	10.02	10.15	11.71

N.Y.S.E. ALL COMMON

Dec 4	Dec 3	Dec 2	Nov 29	1985 High	1985 Low
113.46*	115.08	115.63	116.85	116.55 (29/11)	94.60 (4/1)

RISES AND FALLS

	Dec 4	Dec 3	Dec 2
Issues traded		2,916	2,037
Rises		908	582
Falls		641	1,032
Unchanged		409	443

NYSE-Consolidated 1500 Actives

	Stocks Traded	3.00p.m. Price	Change on Day		Stocks Traded	3.00p.m. Price	Change on Day
Texaco	3,081,600	31⅛	+ ⅞	ATT	1,137,300	23¾	+ ⅛
Baxter Lab	3,044,000	15⅝	+ ⅝	Amr Corp	1,061,100	41¾	+ ⅞
Viacom	1,679,000	34	+ ¾	Macy	1,056,300	31⅞	unch
Mid-So Utl	1,461,300	8⅞	+ ¼	Tandy	1,001,500	39½	+ 1
Motorola	1,143,400	37⅝	+ 1¾	Westg Ele	986,006	43	— ½

Advances 1,113 Declines 469

TORONTO	Dec 4	Dec 3	Dec 2	Nov 29	1985 High	1985 Low
Metals & Minls	1,972.5*	1,953.91	1,910.6	1,929.92	2190.7 (13/2)	1740.82 (31/10)
Composite	2,866.5*	2,848.43	2,834.3	2,857.16	2837.1 (28/11)	2348.5 (8/1)
MONTREAL Portfolio	139.08*	137.86	131.20	138.40	139.33 (19/7)	117.80 (4/1)

* Indicates pre-close figure

	Dec. 4	Dec. 3	Dec. 2	Nov. 29	1985 High	1985 Low
AUSTRALIA						
All Ord. (1/1/80)	867.6	866.7	868.2	890.7	1052.2 (25/10)	775.5 (7/1)
Metals & Minls.(1/1/80)	484.7	484.1	488.1	490.6	585.8 (20/5)	562.5 (7/1)
AUSTRIA						
Credit Aktien (2/1/62)	116.49	116.92	116.65	115.19	121.86 (26/11)	59.21 (24/1)
BELGIUM						
Brussels SE (3/1/80)	2950.84	2948.14	2962.96	2965.37	2989.86 (25/11)	2030.7 (18/1)
DENMARK						
Copenhagen SE (3/1/83)	(u)	223.86	225.56	225.91	287.97 (28/10)	158.44 (9/1)
FRANCE						
CAC General (31/12/82)	246.4	242.7	245.1	247.5	249.7 (28/11)	160.6 (3/1)
Ind Tendance (28/12/84)	142.2	139.6	101.1	142.2	144.2 (25/11)	100.1 (3/1)
GERMANY						
FAZ Aktien (31/12/58)	584.82	574.56	571.34	586.82	601.63 (22/11)	382.89 (3/1)
Commerzbank (1/12/53)	1726.2	1694.2	1689.2	1725.8	1731.4 (4/11)	1111.8 (3/1)
HONG KONG						
Hang Seng Bank (31/7/64)	1700.90	1664.06	1694.57	1719.96	1762.81 (21/11)	1220.74 (2/1)
ITALY						
Banca Comm Ital. (1972)	445.08	442.98	444.11	448.07	446.08 (4/12)	228.56 (2/1)
JAPAN**						
Nikkei (16/5/49)	12811.2	12774.5	12788.9	12763.27	13056.5 (15/10)	11545.2 (5/1)
Tokyo SE New (4/1/68)	1007.76	1005.72	1007.81	1006.53	1067.65 (10/7)	916.93 (4/1)
NETHERLANDS						
ANP-CBS General (1978)	236.3	254.0	239.2	259.4	259.7 (28/11)	186.3 (3/1)
ANP-CBS Indust (1979)	214.5	212.8	217.0	216.7	217.0 (2/12)	147.8 (3/1)
NORWAY						
Oslo SE (4/1/83)	397.29	394.34	396.86	397.85	412.68 (12/11)	288.18 (2/1)
SINGAPORE						
Straits Times (1966)	(c)	(c)	(c)	(u)	852.65 (7/8)	695.43 (28/11)
SOUTH AFRICA						
JSE Gold (28/9/78)	—	1166.0	1138.8	1165.0	1277.1 (25/11)	829.8 (8/8)
JSE Indust (28/9/78)	—	1031.0	1027.6	1050.5	1048.2 (26/11)	787.1 (7/5)
SPAIN						
Madrid SE (28/12/84)	132.99	136.19	133.06	152.85	137.58 (21/11)	101.48 (2/1)
SWEDEN						
Jacobson & P (1/1/58)	1605.43	1612.72	1630.58	1622.74	1630.58 (2/12)	1265.32 (3/7)
SWITZERLAND						
SwissBankCpn (31/12/58)	534.0	535.2	545.0	542.2	545.5 (2/12)	388.7 (3/1)
WORLD						
Capital Intl. (1/1/70)	—	242.7	245.8	245.6	245.7 (27/11)	184.8 (4/1)

** Saturday November 30: Japan Nikkei (12,779.3). TSE 1,008.49.

Base value of all indices are 100 except JSE Gold—255.7. JSE Industrial—264.3, and Australia. All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

LONDON

Chief price changes
(In pence unless otherwise indicated)

RISES

Treas. 9pc 1994	£91½	+⅜
Allied Colloids	140	+13
Bowater Inds.	340	+12
Britannia Arrow	147	+ 5
British Benzol	49½	+ 5½
Dee Corp	283	+8
Grainger Trust	425	+20
Hawker Siddeley	439	+12
Int Sig & Control	333	+20
Lex Service	293	+16
Logica	131	+ 8
NMW Computers	325	+20
PWS Int	240	+20
Pyke Hldgs	415	+22
Simon Engineer	210	+10
Stock Conversion	545	+15
Rowntree Mack	405	+10

FALLS

Allied-Lyons	277	− 9
BOC	309	− 8
Barclays	432	−10
BP	545	−10
Britoil	217	− 8
Caled. Offshore	290	−35
Gee/Rosen	48	−11
GEC	176	−10
Grand Metro'p	366	−10
Habitat-Mother	502	−16
Pegler Hatter	317	−11
Royal Bank Scot.	272	−14
Trafalgar House	388	−18

Share sale of Alitalia puts 24% in hands of public

BY ALAN FRIEDMAN IN DETROIT

A TOTAL of 24 per cent of the share capital of Alitalia, the Italian state airline, has been privatised by the sale of ordinary and non-voting preference shares held by the IRI state holding group. IRI is understood to have realised about L300bn ($173.9m) from the sale.

The L300bn represents the sale of about 15 per cent of Alitalia ordinary share capital – which realised L120bn – and the placement in recent weeks of 31 per cent of the airline's preferred non-voting shares.

Dr Umberto Nord, chairman of Alitalia, said in Detroit yesterday that under Italian law one third of Alitalia's share capital could be sold to private shareholders.

Dr Nordio said: "We expect to sell to private interests further shares in Alitalia, bringing us up to the one-third limit, and it may be possible to modify Italian law to further privatise our airline."

The Alitalia chairman said that, in strategic terms, the partial privatisation would mean "a better guarantee that we can continue to operate as a profit-oriented and entrepreneurial concern."

He said the presence of more private shareholders in Alitalia was important to its future.

The placement of Alitalia shares has been co-ordinated by a consortium of leading Italian banks led by Banca Nazionale del Lavoro (BNL).

Dr Nordio was in Detroit yesterday for the joint announcement with Cadillac, the General Motors luxury-car division, of a new "air bridge" which will see the shipment of some 40,000 specially-built Cadillac car bodies from Turin to Detroit during the next three years.

The cars are to be built by Pininfarina, the Turin-based Italian car designer known primarily for work on the Ferrari. The value of the Cadillac order for Pininfarina is said to be close to $600m.

The cars will be shipped by Alitalia and Lufthansa 747 Jumbo cargo jets at the rate of three flights a week starting next year.

NEW YORK CLOSING PRICES

Continued from Page 35

58½	35¼	Wolwth	2	3.4	12	1057	u59¼	58¼	59⅛	+ 1
5⅜	2⅜	WrldAr				49	4⅛	3⅞	4⅛	+ ⅛
92	54⅞	Wrigly 1.80a		1.9	16	28	u93½	61¼	93⅛	+ 1½
4⅞	2⅞	Wurlitzr				104	3⅛	0⅛	3⅞	+ ⅛
18	10⅜	WyleLb	.32	2.1	66	998	15⅛	13⅞	15⅛	+ 1¼
23⅜	15½	Wynns	.60	3.5	13	33	17	16⅝	17	+ ½

X Y Z

60½	35⅛	Xerox	3	5.1	20	5930	59½	58½	58⅞	+ ⅝
56¾	48⅞	Xerox pf5.45		10.		1	54½	54½	54½	− ¼
30¼	24⅞	ZaleCp 1.32		4.6	13	104	29⅛	28¾	28⅞	
17	7¼	Zapata	.12	1.3	65	454	9⅛	9	9⅛	
61¼	32⅜	Zayre s	.48	.8	17	1583	58¼	56⅞	58¼	+ 1⅞
25	16¼	ZenithE				925	859	18⅞	17⅞	18½ + ½
21⅞	15¾	Zero s	.32	1.6	17	28	20¼	20⅛	20¼	
41½	24¾	Zurmin 1.32		3.4	15	130	39⅜	38¾	39⅜	+ ⅝

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
24¾	16	AAR	.56	2.2	17	377	u26	24⅝	26	+1½
19⅛	10⅛	AGS			14	178	18⅛	17¼	18	+¾
14	8⅞	AMCA				19	11¾	11⅝	11¾	+⅛
50¾	32½	AMR			7	15246	42½	40⅞	42½	+1⅜
24½	18⅝	AMR pf2.18		8.9		7	24½	24½	24½	+¼
25⅞	23	ANR pf2.67		11.		3	23¾	23¾	23¾	−¼
11⅞	7⅝	APL			5	136	10½	10¼	10⅜	+⅛
15⅞	9	ARX			14	178	u15½	15	15½	+⅜
55¾	33¾	ASA	2a	5.8		202	36¾	35¾	36	−⅜
27	10½	AVX	.32	2.4		283	13⅝	12¾	13⅜	+⅛
28⅛	20⅝	AZP	2.72	11.	7	1191	26	25⅝	25⅞	+¼
63⅝	38⅝	AbtLab 1.40		2.2	17	1661	63	61	62½	+1½
25⅞	19⅝	AccoWd .50		2.0	18	136	24½	24⅛	24½	+⅜
24¾	10	AcmeC .40		3.1	18	62	13	12½	13	+⅛
10½	7	AcmeE .32b		4.4	11	29	7⅜	7¼	7¼	
10	15½	AdaEx 1.93e		10		109	19	18⅝	18⅞	
20	13½	AdmMl .40		2.0	8	40	20	19⅝	20	+½
15⅝	8⅝	AdvSys .53t		3.5	22	71	15⅝	15¼	15¼	+⅛
36⅞	22⅛	AMD			43	8451	29⅝	28	29⅜	+1½
12⅜	10⅝	Adobe n				105	12⅜	12⅛	12¼	
18⅝	14⅝	Adob pfA				155	u18⅞	16½	16¾	+⅛
17½	15¼	Adob pfB				114	17½	17¼	17⅜	−⅛
12⅞	7	Advest .12a		1.0	17	1030	12	11⅜	12	+¾
53⅞	34⅝	AetnL 2.64		5.2	17	6518	61½	50⅝	51⅛	−⅛
57½	53¼	AetL pf5.19e		9.4		306	55⅝	55⅝	55⅝	−¼
40½	22⅛	Ahmns 1.20		2.8	7	5825	u42⅛	40	42	+1½
3⅝	2½	Aileen				522	3⅜	2⅞	3⅜	+½
62½	44½	AirPrd 1.48		2.4	13	834	61⅛	59⅞	61⅛	+1½
24⅝	17½	AirbFrt .60		2.8	12	137	21¼	20⅞	21¼	+¼
2⅛	1⅜	AlMoa s.10e		5.3		49	2	1⅞	1⅞	

Continued on Page 35

هكذا من الأجل

NYSE COMPOSITE CLOSING PRICES

Continued from Page 34

Continued on Page 33

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year. an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER

Nasdaq national market, 2.30pm prices

Continued on Page 33

FINANCIAL TIMES
WORLD STOCK MARKETS

WALL STREET

Enthusiastic approach continues

MARKET rumours that the Federal Reserve might cut the discount rate fuelled a late surge in prices on Wall Street stock markets yesterday, *writes Michael Morgan in New York.*

The market traded around higher opening levels until mid-afternoon when speculation grew that a cut in the key rate could be imminent.

At the close the Dow Jones industrial average was up 25.34 at 1,484.40.

In the credit markets bond prices received an early hoost from a larger than expected 1.1 per cent fall in Octoher factory orders, but they later turned lower as attention again focused on the prospects for imminent passage of the Gramm-Rudman amendment to balance the budget deficit.

Federal funds opened at a firm 8¾ per cent but later eased to 8½ per cent. For the third consecutive day the Fed yesterday stepped in with a temporary addition of liquidity through an overnight system repurchase arrangement when the funds were trading at 8 9/16.

In the stock markets IBM put on $⅞ to $139, and a $2 rise for Texas Instruments to $104¾ was attributed to reports of some Japanese price increases on semiconductors.

Among other technology issues, Digital Equipment added $⅞ to $122¾ as it unveiled a computer which, it said, was 44 per cent more powerful than its current range. AT&T was steady at $23⅞ as it announced a new, lightweight information display screen while Data General rose $⅛ to $44⅛.

General Electric, which plans to eliminate a layer of senior management and leave key decisions to four executives, added $¾ to $49.

A gain in the transport sector was fuelled by advances in airlines. United added $1¼ to $50¼, American $¾ to $41⅝, Delta $⅞ to $40¼ and Northwest Airlines $⅛ at $50½.

Pan Am, which is reportedly about to have a new chief operating officer as the result of a management shake-up, traded unchanged at $7⅞.

The motor sector was mixed in response to announcements of November sales of US-made cars. General Motors, which plans cheap finance for some cars and also to recall 150,000 vehicles to remedy feulty air-pollution equipment, added $⅛ to $71⅛. Ford put on $⅛ to $53¾ while Chrysler was $⅛ lower at $43½.

Some publishers were firm, with Time Inc $3⅛ ahead at $62⅛ and Harcourt Brace Jovanovich $1⅞ higher at $82⅛.

Drugs stocks received renewed attention. Merck advanced $⅞ to $129½, Syntex $1¼ to $85, Pfizer $½ to $52¾ and Bristol Myers $½ to $52¾. ICN Pharmaceuticals added $1½ to $12.

Viacom International, the television, cable and radio broadcasting group, was again actively traded, up $1⅛ to $64¾. Takeover speculation bad spurred a $5 advance the previous day. The company yesterday issued 2.5m common shares priced at $58.50 each, increasing the total number of sbares by about 10 per cent. This would dilute a potential bidder's holding and make it more expensive to acquire the company.

Standard Oil of Ohio at $52⅛ gave up $⅝ of the previous session's $1⅜ rise which came after the announcement of a $1.15bn after-tax charge on fourth-quarter earnings.

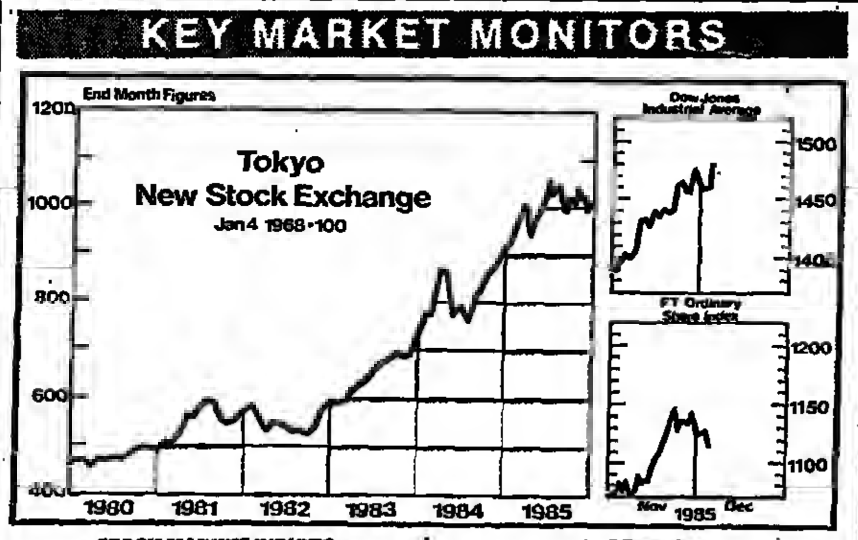
The American Depositary Receipts of Plessey, the UK telecommunications and defence group, added a further $⅛ to $26⅛.

Texaco picked up $⅛ to $31⅛. A Texas judge is expected to rule today on wbether to uphold a jury's award of $10.5bn to Pennzoil. The Pennzoil stock rose $⅝ to $68⅞.

Bond prices edged lower. The key 9⅞ long bond, priced at 99 29/32, was 1/32 lower while the 9½ per cent note, due in 1995, was ⅓₂ down at 99½.

In the money markets yields on Treasury bills rose. The three-month hill, yielding 7.21 per cent, and the six-month bill, at 7.28 per cent, were each 1 basis point firmer.

KEY MARKET MONITORS



STOCK MARKET INDICES

	Dec 4	Previous	Year ago
NEW YORK			
DJ Industrials	1,473.85*	1,459.06	1,185.07
DJ Transport	704.59*	690.78	526.79
DJ Utilities	165.57*	163.83	144.90
S&P Composite	203.87*	200.86	163.38
LONDON			
FT Ord	1,115.8	1,128.3	914.9
FT-SE 100	1,399.6	1,415.6	1,183.8
FT-A All-share	679.76	685.29	567.87
FT-A 500	746.86	753.84	621.43
FT Gold mines	276.3	270.6	555.8
FT-A Long gilt	10.30	10.33	10.05
TOKYO			
Nikkei	12,811.20	12,774.55	11,577.4
Tokyo SE	1,007.76	1,005.72	884.26
AUSTRALIA			
All Ord.	987.6	986.7	737.7
Metals & Mins.	484.7	484.1	432.6
AUSTRIA			
Credit Aktien	116.49	166.92	58.19
BELGIUM			
Belgian SE	2,950.84	2,949.14	—
CANADA			
Toronto			
Metals & Minls	1,972.90*	1,953.61	1,885.00
Composite	2,866.90*	2,848.43	2,368.60
Montreal			
Portfolio	139.08*	137.88	117.51
DENMARK			
SE	n/a	223.88	166.53
FRANCE			
CAC Gen	245.4	242.7	181.6
Ind. Tendance	142.2	139.8	99.8
WEST GERMANY			
FAZ-Aktien	584.82	574.58	377.44
Commerzbank	1,726.2	1,694.2	1,102.7
HONG KONG			
Hang Seng	1,700.96	1,664.06	1,125.4
ITALY			
Banca Comm.	446.08	442.94	214.25
NETHERLANDS			
ANP-CBS Gen	236.3	234.8	179.0
ANP-CBS Ind	214.5	212.8	141.3
NORWAY			
Oslo SE	397.29	394.54	279.3
SINGAPORE			
Straits Times	closed	695.43	808.49
SOUTH AFRICA			
JSE Golds	–	1,166.0	1,056.5
JSE Industrials	–	1,031.0	967.2
SPAIN			
Madrid SE	132.90	133.19	99.85
SWEDEN			
J & P	1,603.45	1,612.72	1,352.16
SWITZERLAND			
Swiss Bank Ind	534.0	535.2	380.8
WORLD	Dec 3	Prev	Year ago
Capital Int'l	242.7	243.6	183.4

COMMODITIES

(London)	Dec 4	Prev
Silver (spot fixing)	409.15p	410.45p
Copper (cash)	£822.50	£916.50
Coffee (Jan)	£1,917.50	£1,957.50
Oil (spot Arabian Light)	$27.90	$27.90

GOLD (per ounce)

	Dec 4	Prev
London	$323.50	$322.75
Zürich	$324.45	$323.05
Paris (fixing)	$325.92	$323.18
Luxembourg	$324.25	$322.20
New York (Feb)	$325.70	$326.40

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Dec 4	Previous	Dec 4	Previous
$	–	–	1.4865	1.4795
DM	2.518	2.5335	3.745	3.7475
Yen	202.6	204.8	301.25	303.0
FFr	7.725	7.725	11.42	11.43
SFr	2.095	2.112	3.115	3.125
Guilder	n/a	2.851	4.215	4.2175
Lira	n/a	1,725.5	2,550.75	2,552.75
BFr	n/a	51.45	76.05	76.1
C$	n/a	1.39095	2.066	2.0609

INTEREST RATES

	Dec 4	Prev
Euro-currencies (3-month offered rate)		
£	n/a	11⅜
SFr	n/a	4⅛
DM	n/a	4 13/16
FFr	n/a	9 15/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	8¼	8 5/16
6-month U.S.$	8¼	8 5/16
U.S. Fed Funds	8⅝*	8⅛
U.S. 3-month CDs	7.95*	7.95
U.S. 3-month T-bills	7.205*	7.20

U.S BONDS

Treasury		Dec 4* Price	Dec 4* Yield	Prev Price	Prev Yield
8½	1987	100 1/32	8.48	99 31/32	8.516
9¾	1992	101 4/32	9.51	100 31/32	9.548
9½	1995	98 30/32	9.65	98 24/32	9.698
9⅞	2015	93 24/32	8.90	99 19/32	9.947

Treasury Index

Maturity (years)	Return index	Dec 4* Day's change	Yield	Day's change
1–30	133.87	+0.22	9.21	−0.02
1–10	131.51	+0.15	8.94	−0.02
1– 3	127.51	+0.10	8.46	−0.02
3– 5	133.22	+0.10	9.15	−0.01
15–30	142.29	+0.50	10.15	−0.04

Source: Merrill Lynch

Corporate	Dec 4* Price	Dec 4* Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	101¼	10.00	101⅜	10.00
3⅞ July 1990	85	7.85	84½	7.95
8¾ May 2000	87⅛	10.50	87¼	10.48
Xerox				
10⅜ Mar 1993	102	10.25	102	10.25
Diamond Shamrock				
10⅜ May 1993	100	10.625	100	10.625
Federated Dept Stores				
10⅜ May 2019	95⅛	11.20	95¼	11.20
Abbot Lab				
11.80 Feb 2013	106⅞	11.05	106⅝	11.05
Alcoa				
12¼ Dec 2012	103¼	11.95	103¼	11.95

Source: Salomon Bros

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
Dec	81–04	81–13	80–29	80–30
U.S. Treasury Bills (IMM) $1m points of 100%				
Dec	92.93	92.95	92.95	92.93
Certificates of Deposit (IMM) $1m points of 100%				
Dec	92.12	92.13	92.12	92.12
LONDON				
Three-month Eurodollar $1m points of 100%				
Dec	91.84	91.86	91.83	91.83
20-year Notional Gilt £50,000 32nds of 100%				
Dec	112–07	112–14	112–11	112–05

* Latest available figures

TOKYO

Trusts lead advance in late rally

LATE active buying of some leading stocks hrought a little life to the stock market in Tokyo yesterday in otherwise lacklustre trading, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei average closed up 36.65 at 12,811.20, reflecting the rises of NEC and other blue-chip issues. But volume remained small with 301m sbares traded, up from 283m on Tuesday. Advances outpaced declines by 427 to 374, with 146 issues unchanged.

NEC climbed Y50 to Y1,300 on buying in the afternoon by investment trusts and financial institutions, with the day's second busiest shares.

Investors pin high expectations on investment trust funds, as institutional investors and business corporations remained on the sidelines amid the uncertain outlook for international and domestic interest rates. Investment trust management companies are scheduled to establish a total of Y430bn of such funds during December, of which it is believed around 30 per cent will be invested in stocks.

The news of investment trusts' buying of NEC led to the upsurges of other blue-chip issues. Sony gained Y70 to Y3,890,

Trading will resume on the Singapore Stock Exchange today.

Fanuc increased Y90 to 7,390, Kokusai Electric Y70 to Y2,350 and Anritsu Y60 to Y2,470.

Sumitomi Metal Mining, a leading incentive-backed issue, added Y60 to Y1,700 on late buying.

Elsewbere, small-capital and high-priced stocks drew buying interest. Kokusai Denshin Denwa (KDD), Japan's international telecommunications monopoly, soared Y890 to Y27,400. JAL, the nation's flag carrier, gained Y360 to Y7,260, and Secom, a security system company Y270 to Y4,790.

Dainippon Ink and Chemicals headed the 10 most active stock list with 14.01m sbares traded, rising Y11 to Y332.

Nachi-Fujikoshi firmed Y9 to Y416 on rumours it may form a capital tie-up with General Electric of the US and General Motors. However, Oki Electric Industry shed Y3 to Y717 after attracting popularity last week on talks of a possible capital linkup with IBM.

Kagome shot up Y180 to Y1,350 on small-lot huying on the recommendation of a newly opened branch of a large securities company.

Large capital issues and budget-affected stocks remained weak. Mitsubishi Heavy Industries eased Y15 to Y353, and Taisei lost Y5 to Y325.

The bond market came to a standstill due to a market outlook fluctuating between optimism and pessimism.

The yield on the key 6.8 per cent government hond falling due in Decemher 1994 fell from 6.190 to 6.150 per cent in active trading. Some market sources said trading in the issue had become increasingly speculative with relatively large sell orders likely to he issued at 6.120 per cent and buy orders at 6.160 per cent.

SOUTH AFRICA

A STRONGER international bullion price backed a firmer trend among leading gold stocks in Johannesburg.

Southvaal gained R2 to R104 and Driefontein R1 to R51. Among mining financials Anglo American added 25 cents to R39.25 after being 50 cents higher at mid-session.

Industrials were firm, with Barlow Rand 40 cents up at R14.

CANADA

TRADERS built on recent gains in Toronto and left a broad range of leading issues trading higber in active business.

The most active issues included Bank of British Columbia, up C$⅛ to C$5⅞, and Canadian Pacific, C$⅛ higher at C$17½. Montreal was also well supported.

EUROPE

Frankfurt dominated by bid talk

FRANKFURT stole the show in a Europe which appeared to be recovering from Tuesday's fit of profit-taking.

Takeover talk dominated late trading in the West German bourse where the Commerzbank index raced ahead by 32 points to stand at 1,726.2.

Rumours, later confirmed, that Deutsche Bank, West Germany's largest credit institution, plans to buy the Flick industrial group from Friedrich Karl Flick, the group's owner, sent Deutsche DM 42.80 higher to DM 709.80.

BHF continued to gain on takeover speculation, rising DM 67 to DM 528.

The apparent stability of the dollar after it threatened to slip well below DM 2.50 gave renewed heart to the export sector. Porsche added DM 44 to DM 1,280, BMW gained DM 9 to DM 565, Daimler put on DM 27.50 to DM 1,167.50 and VW ended DM 7 higher at DM 404.

Steel, electrical and cbemical issues were firmer wbile retailers were steady.

Bonds were harely changed with isolated issues recording losses of between 10 and 20 basis points. The Bundesbank bought a small DM 7.1m of domestic paper.

Electricals and oils were strongly sought in Paris wbere most sbares recovered some of the ground lost to profit-taking in the last few sessions.

In the oil sector, Elf Aquitaine put on FFr 1.50 to FFr 224.50, and Occidentale gained FFr 10 to FFr 710 while Total CFP slipped FFr 1 to FFr 314.

Among electricals, Legrand rose FFr 115 to FFr 2,390, and Thomson-CSF added FFr 7 to FFr 875.

After a hesitant start in Amsterdam, prices rose encouraged by the more stable tone of the dollar against the guilder. The ANP-CBS General index rose to 236.3 from the previous day's 234.8.

The banking sector, which dropped well hack on Tuesday, picked up some lost ground. ABN rose Fl 5 to Fl 535, and NMB put on Fl 3 to Fl 220.

Hectic trading by overseas buyers pushed Bols, the Dutch drinks group, Fl 4.30 higher to Fl 115.30.

Multinationals, which benefited from the previous day's late rebound, continued to find favour, and Hoogovens ended Fl 1.60 better at Fl 72.80, Philips gained 80 cents to Fl 56.70, and KLM added 90 cents to Fl 53.70. Royal Dutch, bowever, shed Fl 2.10 to Fl 177.40.

An indecisive Brussels saw some profit-taking continuing, and prices ended mixed.

Holding companies and industrials were weaker. Société Générale de Belgique lost BFr 75 to BFr 2,270, and GBL shed BFr 40 to BFr 2,560.

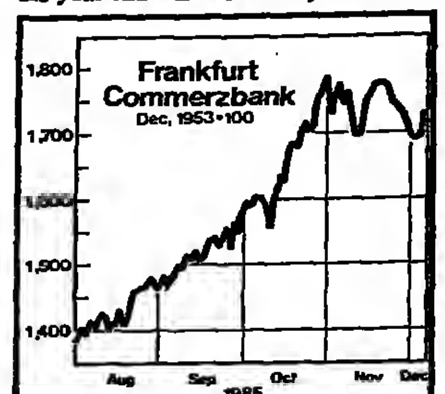
In cbemicals, Solvay gained BFr 20 to BFr 6,120 while Tessenderlo fell BFr 90 to BFr 3,700.

Milan was led higher by gains in Fiat and Montedison, the best performers of the day.

Fiat rallied to L5,212, up L212, and Montedison added L73 to L2,648. Other gainers included Generali, L450 higber at L74,900, Centrale, up L59 at L3,749, and Olivetti, L15 ahead at L8,300.

Against the trend, Pirelli sbed L20 to L6,430 and La Rinascente L13.50 to L1,055.

Some dealers in Zurich suspect that the year-end lull has already set in and say that this explains the lack of activity and lower prices.



Despite declining interest rates, banks tended weaker. Bank Leu lost SFr 50 to SFr 4,125, UBS SFr 25 to SFr 4,865 and Crédit Suisse SFr 10 to SFr 3,440.

Those shares to fight the downward drift included Jacobs Suchard, SFr 25 higher at SFr 7,450, and Nestlé, firmer by a similar amount to SFr 7,875.

Stockholm retreated after a long period of rises. Profit-taking bit into many leading issues, and prices ended mixed to steady.

Fermenta, the biotechnology group, was among the few shares to rise, gaining SKr 7 to SKr 159. Another active issue, Volvo, sbed SKr 2 to SKr 292, and Sandvik, the tool and steel group, dropped SKr 20 to SKr 620.

Chemicals showed the sharpest losses in a dull Madrid. Food and communications issues were also weak while banks showed some slight gains.

LONDON

Demand for funds slows activity

LIGHT selling pressure was sufficient to depress share prices in London yesterday as signs emerged that recent heavy public and underwriting calls had caused a sbortage of funds.

Most of the selling was inspired by profit-taking, and the FT Ordinary share index slipped 12.5 to 1,115.8.

Speculative issues were the first to wilt, but blue-chip issues followed later with volume generally light.

A highlight was the sale of Lloyds Bank holding in Royal Bank of Scotland of 46.27m shares at 270p, compared with a closing level of 272p, down 14p.

Barclays also eased, ending 10p down at 432p, while Allied-Lyons dropped 9p to 277p and Habitat-Mothercare, another issue involved in a takeover situation, fell 18p to 502p.

Chief price changes, Page 33; Details, Page 32; Share information service, Pages 30–31

AUSTRALIA

BHP dominated trading in Sydney amid further beavy huying by the Bell Group.

With a turnover of 8.85m in special sales – 6m of which were acquired by Bell – the market leader firmed a further 2 cents to A$8.44, after peaking at A$8.52.

The All Ordinaries index added 0.7 to 987.6 following seven successive falls wbile the All Resources index edged 1.3 higber to 625.1.

CSR led a mixed mining sector, recovering 8 cents to A$3.56, while Western Mining dropped 1 cent to A$3.11 and Peko 2 cents to A$5.14.

HONG KONG

INVESTORS moved back into Hong Kong to snap up the stocks hardest hit by the recent selling. The Hang Seng index recouped 36.9 points of the 52 lost during the previous two sessions and closed at 1,700.96.

Leading stocks most keenly sougbt included Hongkong Telephone, up 35 cents to HK$9.80, Hang Seng Bank, 25 cents higher at HK$45.75, and Hutchison, 30 cents better at HK$25.80.